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ABSTRACT

This study examines the status of former welfare recipients in the District of Columbia (DC), highlighting families who left Temporary Assistance for Needy Families (TANF) in the last quarter of 1997 and of 1998. Researchers used data from the DC Department of Human Services and interviews with people who left in 1998. Between 1997-99, DC's cash assistance caseload fell by 23.8 percent. Over 60 percent of families who left TANF were working when interviewed. Typical working TANF leavers worked 40 hours per week, earning over $8 per hour. Only 31.7 percent of employed leavers had health insurance through work. Overall, 21.6 percent of all adult leavers and 19.3 percent of their children were uninsured. The most common source of child care for working leavers was school. Friend and relative care was also common. Among jobless leavers, 23.6 percent could not afford child care at some time after leaving. About one in eight considered lack of child care a major reason for joblessness. Only 1 in 20 employed leavers reported receiving help paying child care from the welfare office. Jobless leavers generally relied on public assistance. Most families leaving TANF stayed off. In terms of material hardship, leavers were neither better nor worse off than while on TANF, though absolute levels of hardships remained relatively high. Two appendixes contain survey information and supplemental administrative data on DC TANF leavers. (SM)

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THE STATUS OF TANF LEAVERS IN THE DISTRICT OF COLUMBIA: FINAL REPORT

By

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January 3, 2001

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THE STATUS OF TANF LEAVERS IN THE DISTRICT OF COLUMBIA: FINAL REPORT

Executive Summary

In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) eliminated the federal entitlement program that provided cash aid to low-income families with dependent children (AFDC) and replaced it with the Temporary Assistance for Needy Families (TANF) block grant. While states and jurisdictions like the District of Columbia (DC) must use TANF money to aid low-income families, TANF emphasizes moving families from cash assistance to work.

Because the goal of welfare reform is not simply to reduce the number of families on public assistance but to help families become self-sufficient, the Office of the Assistant Secretary for Planning and Evaluation in the US Department of Health and Human Services (ASPE) funded the District of Columbia and 13 other jurisdictions (states/counties) to study families leaving the welfare rolls and assess how they are faring in terms of their employment, earnings, use of public assistance programs, family circumstances, and overall well-being.

This study reports on the status of former welfare recipients in the District of Columbia, focusing on two groups of families that left the TANF program: those that left in the last quarter of 1997 and those that left in the last quarter of 1998. The study uses administrative data from the DC Department of Human Services for the 1997 and 1998 groups as well as interviews with a sample of those that left in 1998, conducted approximately one year after they left.

Our major findings are:

- Between June 1997 and December 1999, DC's cash assistance caseload fell by 23.8 percent, to 18,028 families. This decline is smaller than the 36.9 percent drop in caseloads nationwide; however, caseload declines in urban areas, in general, have lagged behind the national average. In addition, it is important to note that DC did not adopt some of the policies used in other states to reduce its caseload, such as eliminating all cash benefits to families in which the head fails to comply with program requirements.

- Families leaving TANF in DC are typical of DC's entire caseload in most respects; however, leavers are slightly less likely to have larger families and to have children under age 6 than the typical TANF recipient.

- Our survey of families that left TANF during the last quarter of 1998 shows that 60.3 percent were working at the time of the interview; another 19.5 percent had worked at some point after leaving TANF. This employment rate is similar to those found in studies of TANF leavers in other jurisdictions as well as in national surveys.

- The typical (median) TANF leaver with a job works 40 hours a week and earns over $8 an hour. Less than half of working leavers report receiving employee benefits like paid sick days or pension plans, but almost two-thirds have paid vacations.

- While only 31.7 percent of employed leavers have health insurance through their jobs, 40.7 percent are covered by Medicaid. Overall, 21.6 percent of employed adult leavers (the head of the TANF unit) and 19.3 percent of their children are uninsured.

- Working leavers generally spend a half hour or less commuting to work, and their commuting costs are, on average, less than $3 a day. Nearly three out of five use public transportation to get to work.

- By far the most common source of child care for working leavers with children of any age is school: 51.6 percent report that their children attend school. Friend and relative care is more common than formal day care: 20.5 percent of employed leavers send their child(ren) to a friend or relative and 15.5 percent have a friend or relative come over to mind the child(ren), compared with 11.8 percent of families using licensed child care providers and 5.0 percent using family day care. Among working leavers with young children (3 years old and younger), the use of informal care is even greater. Given the relatively low use of formal care, it is not surprising that fewer than 1 in 20 employed leavers report receiving help paying for child care from the welfare office.

- Among jobless leavers, 23.6 percent report they could not afford child care at some time after leaving TANF and one in eight say lack of child care is a major reason for not working.

- Jobless leavers generally rely on public assistance to get by. More than four out of five leavers received some support from TANF, food stamps, Supplemental Security Income (SSI), and/or the Women, Infants, and Children (WIC) program at some time after leaving TANF and about three-quarters received some assistance in the month prior to the survey.

- When asked about specific experiences of hardship, such as difficulties paying rent or having utilities cut off or having to skip or reduce the size of meals, working and jobless leavers reported similar levels of difficulty. In addition, there was little difference in the reported incidence of hardships before and after exiting TANF.

- Most families that left TANF in DC stayed off. About one-quarter of leavers returned to the TANF rolls within a year's time. This is consistent with findings from other studies of welfare leavers.

Overall, our study of TANF leavers in the District of Columbia reveals that many families have made the transition from welfare to work. In terms of their labor market success and ability to stay off TANF, DC's TANF leavers resemble TANF leavers in other states. Nevertheless, it is important to note that a substantial minority of leavers is not making the transition to work. Over 20 percent of leavers return to TANF and continue to use up their five-year lifetime allotment of federal assistance. Forty percent of leavers are jobless a year after exiting, and 20 percent of all leavers have not worked at all since exiting. Most non-working leavers rely on TANF or other public assistance programs to get by. Finally, in terms of the material hardships they experience, leavers are neither better nor worse off than they were while on TANF, but the absolute levels of these hardships remain relatively high.

List of Tables

Table 1: Characteristics of TANF Exiters and TANF Caseload (Administrative Data)

Table 2: Length of Time on AFDC/TANF Before Exiting, for TANF Exiters (Administrative Data)

Table 3: Months Continuously on AFDC/TANF, TANF Exiters Compared with TANF Caseload (Administrative Data)

Table 4: Reason for Leaving TANF (Administrative Data)

Table 5: Reasons for Leaving TANF for All TANF Leavers in the District of Columbia

Table 6: Employment and Earnings of Welfare Leavers in the District of Columbia: 1997 Cohort, Administrative Data

Table 7: Employment and Job Characteristics of Employed TANF Leavers in the District of Columbia

Table 8: Job Search Methods for TANF Leavers Who Worked in the District of Columbia

Table 9: Child Care Arrangements and Help Paying for Child Care for Employed TANF Leavers in the District of Columbia

Table 10: Sources of Support for All TANF Leavers in the District of Columbia

Table 11: Families Who Left TANF: Characteristics of Continuous Leavers and Returners (Administrative Data)

Table 12: Health Insurance Coverage of TANF Leavers in the District of Columbia

Table 13: Living Arrangements of TANF Leavers in the District of Columbia

Table 14: Reasons Not Working for Jobless TANF Leavers in the District of Columbia

Table 15: Past Employment and Spouse/Partner Employment of Jobless TANF Leavers in the District of Columbia

Table 16: Sources of Support for Jobless TANF Leavers in the District of Columbia

Table 17: Hardships Reported by TANF Leavers in the District of Columbia

Table 18: Food Insecurities Reported by TANF Leavers in the District of Columbia

Table A1: Comparison of TANF Leavers in the District of Columbia

Table A2: Hard-to-Reach Population of TANF Leavers in the District of Columbia

Table B1: Program Participation by Month After Exiting TANF, 1998 Exiters

Table B2 Program Participation by Month After Exiting TANF, 1997 Exiters

List of Charts

Chart 1: DC and US Total Average Monthly AFDC/TANF Caseload, 1983 to 1999

Chart 2: Employment Status of TANF Leavers in DC

Chart 3: Percent of Exiters on TANF and Percent of Exiters Who Ever Returned to TANF by Month After Exit, 1998 Exiters

Chart 4: Food Stamp Participation by Month After Exiting TANF, 1998 Exiters

Chart 5: Medicaid Participation By Month After Exiting TANF, 1998 Exiters

Chart B1: Percent of Exiters on TANF and Percent of Exiters Who Ever Returned to TANF by Month After Exit, 1997 Exiters

Chart B2: Food Stamp Participation by Month After Exiting TANF, 1997 Exiters

Chart B3: Medicaid Participation by Month After Exiting TANF, 1997 Exiters

THE STATUS OF TANF LEAVERS IN THE DISTRICT OF COLUMBIA: FINAL REPORT

I. Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) significantly altered the federal role in providing cash aid to the poor. PRWORA eliminated the federal entitlement program that provided cash aid to families with dependent children (AFDC) and replaced it with the Temporary Assistance for Needy Families (TANF) block grant. States and jurisdictions like the District of Columbia (DC) must use TANF money to aid low-income families; however, with some exceptions, families can receive a lifetime maximum of 60 months of federal aid. In 2000, the maximum monthly benefit for a single parent with two children in DC is $379.

One of the main emphases of PRWORA was to make benefits temporary and help move families off public assistance into self-sufficiency. Four years ago, we knew very little about how families that left TANF would fare, and because the goal of welfare reform is not simply to reduce the number of families on public assistance but to help families become self-sufficient, understanding what happens to families once they leave the TANF rolls is very important. To bridge this knowledge gap, the Office of the Assistant Secretary for Planning and Evaluation in the US Department of Health and Human Services (ASPE) funded the District of Columbia and 13 other jurisdictions (states/counties) to study families leaving their welfare rolls.

This study reports on the status of former welfare recipients in the District of Columbia. It focuses on two groups of families that left the TANF program: those that left in the last quarter

of 1997 and those that left in the last quarter of 1998.[1] These families are referred to interchangeably as TANF or welfare leavers or exiters. The study uses administrative data from the DC Department of Human Services for the 1997 and 1998 groups as well as interviews with a sample of those that left in 1998, conducted approximately one year after they left. These administrative data allow us to accurately identify past and present cash assistance receipt as well as ongoing participation in food stamps and Medicaid after leaving TANF. We also use administrative information on employment and quarterly earnings after exit for our 1997 cohort provided by the Office of Child Support Enforcement of the US Department of Health and Human Services. But these administrative data alone miss crucial aspects of post-TANF family situations. Consequently, we use our survey of 1998 TANF leavers one year after leaving to examine more thoroughly the status of TANF leavers in the District, including employment, job characteristics, earnings, other sources of income, reasons for leaving TANF, and the economic struggles these families may be experiencing.

We begin by setting the context of welfare reform in the District of Columbia. We then provide a detailed description of the administrative and survey data we use in this report. Next, we examine the characteristics of welfare leavers and compare them with the entire welfare caseload in DC. We then assess the status of TANF leavers, focusing on their employment situations, sources of support, living arrangements, and the material hardships they may be experiencing. This study is conducted by the Urban Institute, a non-profit, non-partisan research

[1] For each cohort, we define a TANF leaver as someone who stopped receiving TANF in September, October, or November of that year and remained off TANF for at least the following calendar month. For example, whether the data indicate that a particular case closed on September 2 or September 29, 1998, the case would need to remain closed through the balance of September and all of October for us to classify it as a TANF leaver. We refer to the first month without TANF benefits as the month of exit; in the example above, the month of exit is October 1998. Note also that in order to avoid counting people who received TANF for less than one month as leavers, we require all our leavers to have been on TANF for at least two consecutive months. Two-parent cases are included in our analysis although they comprise a very small share of the caseload. Also note that child-only cases are excluded from our analysis.

center in Washington, DC, in partnership with the District of Columbia Department of Human Services.

II. The Context of Welfare Reform in DC

A. DC's TANF Rules in Brief

The District of Columbia began implementing welfare reform in the spring of 1997. At that time, changes were made to comply with the federal requirements put in place by PRWORA. Among other changes, the District instituted a 60-month lifetime limit on benefits and required an employability assessment. Those not already working at least 20 hours per week or required to attend school had to sign an agreement to participate in job search and job readiness activities as a condition of eligibility.

In the spring of 1998, a second act was passed, called phase two of welfare reform, that made additional changes to the TANF program taking advantage of some of the flexibility allowed by the federal law. The major changes in this legislation were the creation of a DC-funded program for TANF applicants with medical incapacity; increases in the amount of money a family could earn before their TANF grant would be reduced (i.e., increases in the earned income disregard) as well as increases in the value of assets and vehicles the family could have and still be eligible for TANF, and increases in the severity of the sanction policy for the first instance of non-compliance with program rules (loss of benefits for one month or until compliance, whichever is longer). The legislation also established a program of diversionary assistance, which provides cash payments to applicants if the payments will allow them to maintain or secure employment and thus avoid becoming a recipient. Payments can be for up to

three months of benefits and do not count against the 60-month lifetime limit. These changes occurred after the last quarter of 1997.

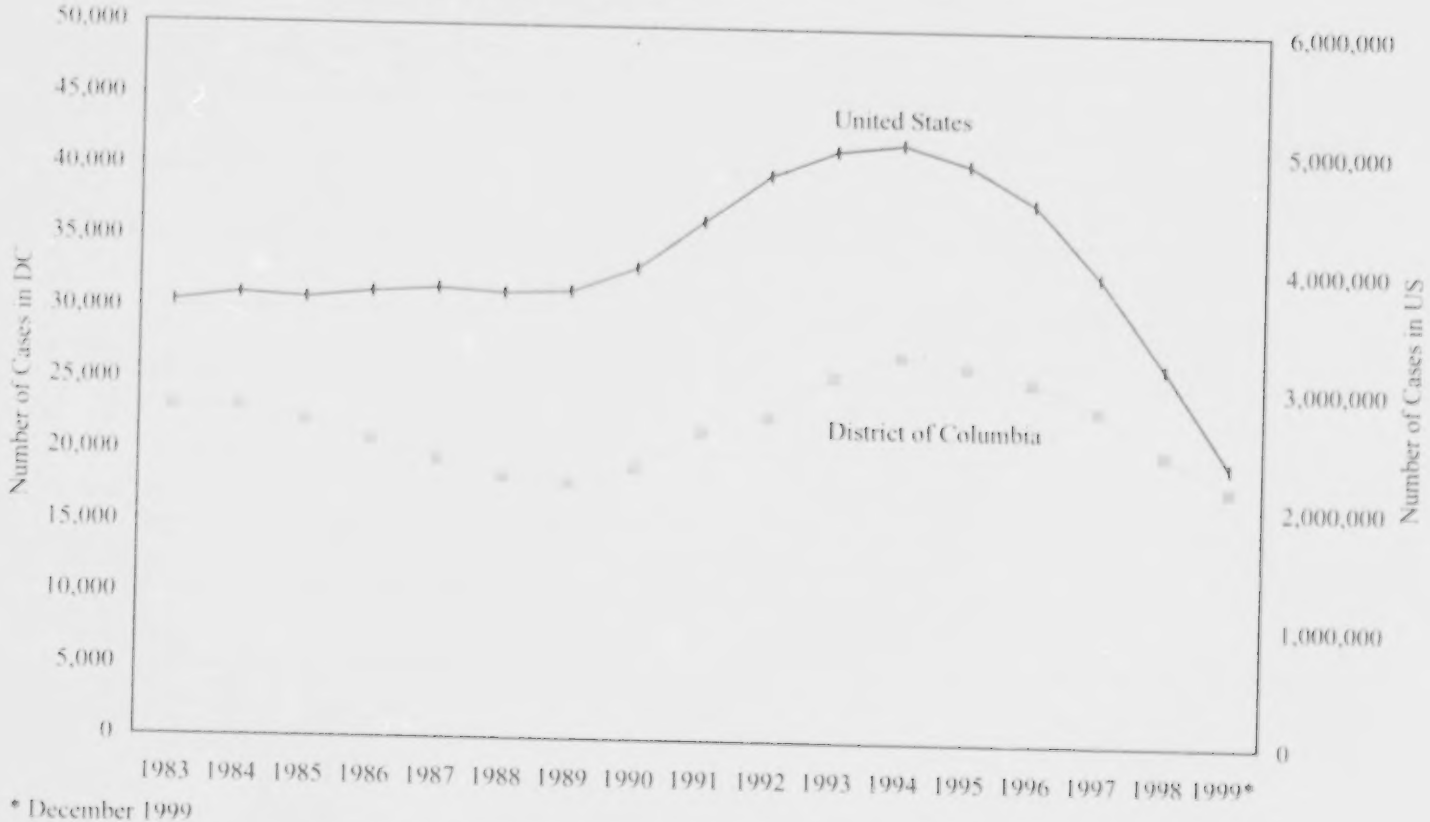
B. Declining Caseloads

Since 1994, the cash assistance AFDC/TANF rolls in the District of Columbia have declined significantly, paralleling national trends (chart 1). The District's caseload reached its peak in 1994, with an average monthly caseload of over 27,000 families. By 1999, DC's caseload had fallen by 34 percent. While the average monthly caseload fell by about 3,500 families between 1994 and DC's first implementation of welfare reform changes in the spring of 1997, it dropped by another 5,700 families between the implementation of welfare reform and December 1999. These declines parallel those in the AFDC/TANF caseload throughout the US, although they are far less dramatic. Over the 1994 to 1999 period, average monthly US caseloads have fell53 percent compared with the 34 percent decline in DC.

It is important to note that DC, while functioning like a state, is a geographically small, concentrated urban area, and urban caseloads have been shrinking more slowly than the national caseload (Allen and Kirby 2000). Between 1994 and 1999, urban welfare caseloads dropped by about 40 percent. Compared with other urban counties in the Northeast, DC's caseload decline over the period is slightly greater than the decline in New York City but smaller than those in Baltimore, Boston, and Philadelphia (Allen and Kirby 2000). In addition, compared with the national caseload, DC's welfare recipients are relatively disadvantaged in that they are more likely to have never been married and on average are longer-term welfare recipients.

Finally, under PRWORA, states had to strike a balance between trying to move families off of welfare using work requirements, sanctions, and time limits and insuring that the neediest families received aid. Considering the needs of its welfare recipients and the nature of the local

Chart 1: DC and US Total Average Monthly AFDC/TANF Caseload, 1983 to 1999



* December 1999

Source: Urban Institute tabulations on data from the DC Department of Human Services.

job market, DC did not adopt some of the policies used in other states to reduce the caseload. For example, DC does not impose a "full family" sanction—that is, cut all TANF benefits to a family—when a parent fails to comply with program requirements. While such sanctions generally remove families from the welfare rolls, some have raised concerns about the well-being of families affected by these types of sanctions.[2] These policy choices likely are another reason why DC's caseload decline lags behind the national trend.

III. Data

We use two main data sources to assess the status of TANF leavers in DC: (1) administrative records from DC's Automated Computer Eligibility Determination System (ACEDS) data system supplemented with employment and earnings information from the National Directory of New Hires (NDNH) and (2) results from a survey of families that left TANF. The District's ACEDS data system combines information on participants in the TANF, Food Stamp, and Medicaid programs. We use data on the cohort of families that exited TANF in the last quarter of 1997 and on the cohort of families that exited in the last quarter of 1998.[3] In addition to some limited demographic information, these administrative data allow us to assess leavers' welfare histories and examine their program participation in the months following their TANF exits.

We obtain information on quarterly employment and earnings of leavers using data from the NDNH. The NDNH is a national database maintained by the Office of Child Support

[2] While the number of cases closed due to sanction is relatively small in many states, according to a report by the US General Accounting Office, the threat of sanctions may still have caused caseloads to decline (GAO 2000).
[3] We compare our TANF leavers from the last quarter of 1998 with the caseload in April 1997, because April 1997 is the last month for which we have data on the entire caseload.

Enforcement (OCSE) of the US Department of Health and Human Services.[4] Virtually all employers nationwide, including the federal government, report quarterly earnings information to the NDNH. Using these data, we can assess whether a leaver is working (has positive earnings) in the four quarters following exit and how much working leavers are earning. Note that information in the NDNH is confidential; in order to obtain it, we provided OCSE with our ACEDS data from 1997; OCSE matched ACEDS data with the NDNH data using Social Security numbers,[5] stripped all personal identifiers from the data, scrambled the records, and returned the merged file to us for analysis. Consequently, we only have administrative data on employment and earnings for our 1997 cohort of leavers.

While administrative data on families leaving welfare provide much useful information, they reveal little about the day-to-day lives of leavers: What are their jobs like? Have their family circumstances changed? What hardships are they experiencing, and what has helped or hindered their attempts to become self-sufficient?

To answer these questions, we conducted a survey of families that left DC's TANF rolls during the last quarter of 1998. Out of 1,304 families that left TANF during this time, we randomly selected 453 for the survey and completed interviews with 277; thus, our survey's response rate is 61 percent. The interviews were conducted during the fall of 1999 and in early 2000. Thus, our survey gathers information about the circumstances of TANF leavers

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[4] Many state-based studies of welfare leavers supplement their administrative program data with administrative information on employment and earnings from their state's unemployment insurance (UI) system. As long as a leaver takes a job within the state with an employer who must report information to the state's UI system, that leaver's employment and earnings can be tracked on a quarterly basis. Because a significant number of DC's leavers may work outside DC (in Maryland or Virginia, for example) or for the federal government, which does not participate in the UI system, we felt that DC's UI records would understate the amount of employment among welfare leavers. Consequently, we worked with USDHHS staff to obtain information from the NDNH, which has broader coverage. This database includes information on new hires as well as quarterly wage data reported from state systems.

[5] The ACEDS data reported Social Security numbers for 1,558 of the 1,780 leavers in the 1997 cohort.

approximately one year after exit. Details about our survey methodology appear in appendix A.[6] While we obtain information on all the members of a family that has left welfare, we focus on the experiences of the primary individual in the welfare case—the adult head of the family. Consequently, when we talk about a welfare leaver, we are usually referring to a mother who stopped receiving TANF.

Below, we present our findings, beginning with an examination of the characteristics of TANF leavers. Next, we focus on their employment status. We then examine their reasons for leaving TANF and their job search activities. We go on to focus on their child care arrangements and their sources of support. We then examine their family circumstances and attempt to assess how jobless leavers are getting by. Finally, we assess their material hardship, comparing and contrasting the experiences of employed and jobless TANF leavers.

IV. Assessing the Status of DC's TANF Leavers

A. Who Left TANF?

Characteristics of Leavers Compared with the Caseload

Table 1 shows demographic characteristics of families that left DC's welfare program in the fall of 1998 and 1997 based on administrative data. There are two main reasons to suspect that the two cohorts of leavers may have different characteristics on average: (1) members of the second cohort of leavers are drawn from a smaller overall caseload and may be "harder to serve" and (2) only the second cohort of leavers were subject to phase two of DC's welfare reform. However, there are not significant differences between the 1998 and 1997 cohorts overall.[7]

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[6] We also use administrative data to compare the characteristics of respondents and non-respondents and assess how well our survey sample represents this cohort of welfare leavers.

[7] The 1998 cohort includes 1304 families that left welfare in the last quarter of 1998. The 1997 cohort includes 1780 families that left in the last quarter of 1997.

Table 1: Characteristics of TANF Exiters and TANF Caseload (Administrative Data)

Characteristic	1998 TANF Exiters (%)	1997 TANF Exiters (%)	1997 TANF Caseload[1] (%)
Sex			
Female	96.2	97.7	96.7
Male	3.8	3.3	3.7
Race/Ethnicity			
Black	97.0	96.4	97.8
Hispanic	1.5	2.4	1.3
Asian	0.7	0.5	0.5
White	0.5	0.7	0.4
Age of Adult Recipient			
<20	4.0	3.3	6.3
20-24	21.0	22.3	22.6
25-29	22.7	25.3	22.0
30-34	18.9	19.3	19.2
35-39	17.0	16.4	15.6
40+	16.4	13.5	14.4
Average Age	31.6	31.0	30.3
Marital Status[2]			
Single Never Married	86.7	84.6	88.0
Married	4.6	4.1	2.9
Divorced/ Separated/ Widowed	8.5	11.2	9.2
Number of Children[3]			
0	4.6	3.9	3.0
1	44.8	46.2	37.4
2	28.5	28.4	28.9
3	14.5	13.5	17.2
More than 3	7.7	7.9	13.5
Average number	1.8	1.8	2.1
Age of Youngest Child			
<1	9.7	10.0	13.3
1-5	43.6	44.6	54.9
6+	46.8	45.1	31.8

[1]TANF Caseload includes all recipients in April 1997 receiving welfare for their own children, which excludes child-only cases.

[2]Married includes common-law marriages.

[3]Number of children reflects only the children in the TANF case. A TANF case may have zero children if a child is receiving SSI or the mother is pregnant and has no other child on TANF.
Source: Urban Institute tabulations on data from DC Department of Human Services.

Therefore, while the tables in this paper report results concerning both cohorts, the discussion will highlight the 1998 leavers. These two groups of leavers are compared with the entire caseload of families receiving TANF in DC during April 1997. This comparison allows us to examine whether and how those who left TANF in DC are different from all DC TANF recipients.

Former recipients and current recipients are fairly similar to one another in most demographic respects with a few exceptions. Former recipients have fewer children and older children than those receiving benefits. While the average number of children for both groups is similar, about two, only 22.2 percent of former recipients have three or more children compared with 30.7 percent of those receiving benefits. Also, many more leavers have youngest children that are school age (six years or over) than recipients, 46.8 percent compared with 31.8 percent.

Almost all adult leavers in DC are black women, as are most recipients. The average age of adult leavers is almost 32, slightly higher than the average age of all recipients—about 30. Teenagers are disproportionately less likely to leave the rolls than older recipients. Only 4.0 percent of adult former recipients (head of the case) are teenagers, while 6.3 percent of adult recipients (head of the case) are teenagers. There are only slightly more leavers that are over 40 years old than recipients: 16.4 percent compared with 14.4 percent. Since this sample does not include child-only cases, grandmothers and other caretakers who are not in the TANF unit (not receiving a cash benefit for themselves) are not included here. Finally, the vast majority of adult recipients, 88 percent, are single, never-married mothers, as are the vast majority of TANF leavers.

Length of Time on Welfare before Leaving

Another potential factor in determining if a family leaves TANF is the length of time a family has been receiving benefits. It is possible that the longer a family receives TANF the less likely it is to exit. This could be because the head of the household has been away from the job market a longer time or because a longer period of benefit receipt reveals lower skill levels, less motivation to work, or other unobserved difficulties in finding work.

Table 2 presents two ways to measure the time a family has been receiving TANF/AFDC benefits. The first column for each cohort, length of continuous spell ending with current exit, shows the number of months of continuous benefit receipt up to the 1998 or 1997 exit.[8] Because many families move on and off public assistance a number of times, we also report a second measure, total number of months of receipt in the 60 months prior to the exit.[9] This measure provides a more complete picture of families' reliance on public assistance benefits.

The majority of our sample of 1998 leavers in DC had been relatively long-term recipients before exiting. Only 23.0 percent had been in their current spell of receipt a year or less at the time of exiting and only 12.8 percent had been receiving for a year or less out of the prior five years (table 2). Almost one-third of all exiters had been receiving benefits continuously for the previous 60 months or more. Interestingly, the 1998 cohort of leavers includes slightly more short-term recipients (a year or less) than the 1997 cohort (23.0 versus 20.3 percent, respectively).

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[8] This measure disregards interruptions in receipt of a month or less. These short episodes of non-receipt are smoothed over because they likely represent only a short-term administrative reason for stopping benefits.

[9] DC switched administrative data systems in September 1993. Therefore, spells of receipt that occur before this date are not included and spells ongoing since before this date are truncated. This means the largest number of months of receipt prior to exit possible among these data is 60 months for those exiting in September 1998, 61 months for those exiting in October 1998, and 62 months for those exiting in November 1998. For 1997 exiters, the longest spell length could be 49, 50, and 51 months respectively for September, October, and November exiters.

Table 2: Length of Time on AFDC/TANF Before Exiting, for TANF Exiters (Administrative Data)

	1998 Exiters		1997 Exiters	
Number of Months	Length of continuous spell ending with current exit (%)	Total number of months of receipt prior to current exit[1] (%)	Length of continuous spell ending with current exit (%)	Total number of months of receipt prior to current exit[1] (%)
1-3	3.8	1.7	3.8	1.8
4-6	8.1	4.5	6.2	3.2
7-9	4.4	2.7	4.3	3.0
10-12	6.8	4.0	6.0	3.3
One year or less	*23.0*	*12.8*	*20.3*	*11.2*
13-24	19.3	14.1	19.6	16.5
25-36	11.7	13.1	13.4	15.8
37-48	9.4	12.9	13.3	21.2
49-59	6.8	16.1	33.4	35.3
60+	29.9	31.0	n.a.	n.a.

[1]DC switched administrative data systems in September 1993 so that spells going back before this time are truncated at that date. This means that the number of months of receipt are out of 49 months of prior data available for 1997 exiters and 60 months.

Source: Urban Institute tabulations on data from DC Department of Human Services.

Table 3: Months Continuously on AFDC/TANF, TANF Exiters Compared with TANF Caseload (Administrative Data)

Number of Months	1998 TANF Exiters[1] (%)	1997 TANF Exiters[1] (%)	TANF Caseload[2] (%)
1-12	23.0	20.3	18.5
13-24	19.3	19.6	15.1
25-36	11.7	13.4	11.9
37-44	5.8	7.9	6.7
44+[3]	40.4	38.9	47.8

[1]TANF Exiters are those people who exited welfare in September, October, or November. This sample excludes child-only cases.

[2]TANF Caseload includes all recipients in April 1997 receiving welfare for their own children, which excludes child-only cases.

[3]Data about the length of current recipients' spells beyond 44 months are not available for the TANF caseload.

Source: Urban Institute tabulations on data from DC Department of Human Services.

In comparison with the entire DC caseload, those leaving welfare were in comparatively shorter continuous spells of receipt. Table 3 shows the number of months in the current spell for the two cohorts of leavers and the entire caseload in April 1997. Almost half of the 1997 caseload, 47.8 percent, had been receiving benefits for 44 months or more, while 40.4 percent of 1998 leavers had been receiving benefits for this long before exiting. Twenty-three percent of 1998 leavers had been receiving benefits for a year or less, compared with 18.5 percent of families in the 1997 caseload.

B. Reasons for Leaving TANF

Families leave welfare for a variety of reasons. Some choose to stop receiving benefits, and others are no longer eligible due to, for example, an increase in income or a youngest child turning 18. Administrative data provide information on the reasons families leave welfare. However, the administrative codes have limitations in their ability to reflect the underlying reason a family stopped receiving. For example, if a woman finds a job and decides she no longer wants to receive benefits or believes that she is ineligible, she may simply not keep a recertification appointment. This would be coded in administrative data as a "failure to provide information," but if asked, she might say she left because she found a job. These distinctions are not discernible in the administrative data used in this study. Consequently, we also examine reasons for leaving as reported by the leavers themselves using our survey data. Not surprisingly, findings from the administrative and survey data are quite different, with the survey indicating that work-related reasons are substantially more important than the administrative data suggest.

In administrative data, the most commonly reported reason for ending benefit receipt in these data is failure to provide information, 41.5 percent (table 4). This category includes failure to provide information for review, recertification, or periodic reports. Another 8.1 percent of

Table 4: Reason for Leaving TANF (Administrative Data)

Reason for Leaving	1998 Exiters (%)	1997 Exiters (%)
Administrative Reasons		
Failure to Provide Information[1]	41.5	32.2
Loss of Contact/ Mail Returned	8.1	12.8
Voluntary Withdrawal at Client's Request	6.5	7.4
Not a DC Resident/ Citizen	8.0	10.5
Failure to Comply with Rules[2]	0.2	n.a.
Other Administrative[3]	0.3	1.2
Subtotal	64.6	64.1
Changes in Financial Well-Being		
Income Exceeds Limit[4]	12.6	12.5
Earnings Exceed Payment Level	9.1	10.8
Unearned Income[5]	2.8	3.2
Excess Assets	0.9	0.9
Subtotal	25.4	27.4
Change in Demographic Eligibility[6]	8.8	7.6
Other[7]	1.2	1.1

Source: Urban Institute tabulations on data from the DC Department of Human Services.

[1]Recipient failed to meet at least one of these requirements: provide information, complete review/ certification, file complete monthly report, and/or provide identification.

[2]Failure to Comply with Rules: Loss of disregards- jobs sanction, failure to register for work.

[3]Other administrative reasons include: failure to assign support rights, correction of an administrative error, and a change in law/ policy.

[4]Gross Income exceeds the maximum limit or income exceeds needs limit (receipt of a lump sum payment or the loss of disregards due to sanction, for example).

[5]Unearned income over the payment level (deemed income from a person in the home, over income Medicaid case- spendown, for example).

[6]Changes in demographic eligibility include: no eligible child in the home, only child(ren) in foster care, no longer pregnant/ no child, only child is 18-20 and not in school, not living with child(ren), degree of relationship not met, only recipient institutionalized.

[7]Other reasons for leaving include: being active in another case, change of primary informant, belonging to existing household, being eligible for another program, not a covered crisis, doesn't meet unemployment definition.

cases closed because DHS lost contact with the recipient. Interestingly, 6.5 percent of cases closed because the family voluntarily withdrew from the program. Eight percent of cases closed because the family moved out of DC; these families may have left welfare altogether or they may be receiving TANF benefits in another jurisdiction like Maryland. Finally, 0.3 percent closed for other administrative reasons. Taken together, these reasons for leaving TANF in DC account for almost two-thirds of all cases closed for our 1998 cohort.

One-quarter of cases closed because of a reported change in the financial well-being of the family: 12.6 percent closed because the family's income exceeded the income limit; another 9.1 percent closed because the family's earnings exceeded the payment level; 2.8 percent of cases closed because of increases in unearned income; and 0.9 percent closed because the value of the family's assets exceeded the asset limit. Another 8.8 percent of cases closed because of a change in demographic eligibility, such as the family no longer had an eligible child living at home. Miscellaneous factors account for the remaining 1.2 percent of closures. Across these broad categories of administrative, financial, and demographic reasons for case closings, the 1998 cohort of leavers is not appreciably different from the 1997 cohort.[10]

But, as discussed earlier, it may be particularly misleading to rely solely on administrative data to determine why families are leaving TANF in the District of Columbia. We use our survey to assess why a family left TANF; note that respondents could provide multiple reasons for leaving welfare.

Work and income-related reasons for leaving are by far the most commonly reported. Table 5 shows that 44.0 percent of leavers report they left TANF because they got a job, and 12.6 percent left because they got a raise on an existing job or earnings, in general, were too

[10] There are some differences among the specific administrative reasons across the two cohorts; see table 4 for details.

Table 5: Reasons for Leaving TANF for All TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Reason, N=277	Percent[1] (%)
Work/ Income Reasons	
Got a job	44.0
Raise on existing job/Earnings too high	12.6
Non-work income too high	2.2
Got SSI	2.2
Subtotal	*61.0*
Couldn't/ Didn't meet requirements	
Requirements too much hassle	4.7
Could not meet work requirements	1.1
Did not want to involve DCH in child support	1.1
Got cut off	5.8
Subtotal	*12.7*
Demographic changes	
Change in household members, lost eligibility	9.0
Married/now living with partner	0.7
Moved in with family	1.1
Subtotal	*10.8*
Wanted to leave	20.6
Other	14.4

[1]Total percentage may sum to over 100 because multiple answers are allowed.
Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

high. This stands in sharp contrast to our findings based on administrative data, which show that only one-quarter leave for job or income-related reasons. It is likely that many leavers who exit for jobs simply stop providing information to the welfare office and thus are recorded as "administrative" closures. Indeed, when we examine survey reports for respondents who are recorded as having a closure for administrative reasons, we find that 51.6 percent say they left welfare for work-related reasons. In addition, small percentages say they left because other sources of non-work income were too high (2.2 percent) or they began receiving Supplemental Security Income (SSI) (2.2 percent).

The survey also shows that some leavers believe that they could not or did not meet requirements. About 5 percent report that the requirements (of any sort) were too much of a hassle. A small number (1.1 percent) say they could not meet work requirements and a very small number did not want to identify their child's father—a precondition for receiving TANF benefits. In an attempt to categorize the many different verbatim responses, we also created a general category of "got cut off," which includes responses that indicated an involuntary exit.[11] Only 5.8 percent gave this type of response.

Demographic changes are also important reasons for exiting welfare. Nine percent of respondents said a change in household composition left them ineligible for benefits. An additional 1 to 2 percent said they got married or moved in with a partner or other family and were no longer eligible.

A final category created from verbatim responses is composed of those indicating a voluntary exit or desire to no longer receive benefits. While this category is broad, one out of five respondents give this type of answer. Some examples include "it's just supposed to be

[11] Note that these survey responses reflect the opinion of the leaver. In DC, families that fail to meet program requirements are sanctioned by having their TANF grants reduced by 25 percent; their cases are not closed.

temporary," "tired of getting welfare," "ready to get off TANF and work," and "wanted to make it on my own." These responses indicate that many leavers have a desire to leave TANF, at least as reported one year later.

C. Employment Status of TANF Leavers

One of the primary goals of welfare reform is moving families from welfare to work. For our 1997 cohort of leavers, we have employment information from the NDNH. Table 6 shows that 62.2 percent of leavers work in the first calendar quarter after exit (the first quarter of 1998).[12] In the fourth quarter after exit, 59.8 percent of leavers work. Nearly two out of five leavers work in all four post-exit quarters. Employment rates are even higher for leavers who stayed off welfare for at least 18 months—continuous leavers. Indeed, about four out of five continuous leavers work in any given quarter, and 64.1 percent work in all four post-exit quarters.

For our 1998 cohort of leavers, we obtain employment information from our survey of families leaving TANF in the District of Columbia. Chart 2 shows that at the time of the survey, 60.3 percent of leavers are currently employed; this is very similar to the 59.8 percent fourth post-exit quarter employment rate we find in administrative (NDNH) data for the 1997 cohort of leavers. In addition, 3.0 percent hold more than one job. Some leavers who are not themselves working have a spouse or partner who is currently working (3.6 percent). Thus, the percentage of leaver families where either the leaver or their spouse/partner currently works is 63.9 percent. Further, we find that that four out of five family heads worked at some point in the year after leaving welfare.

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[12] The employment rate is calculated by dividing the number of leavers with at least $1 of earned income in a given quarter by the number of leavers with Social Security numbers in the ACEDS data. There are 222 leavers with no Social Security numbers; if they were added into the denominator, the "known" employment rate for all leavers in the first post-exit quarter would be 54.4 percent.

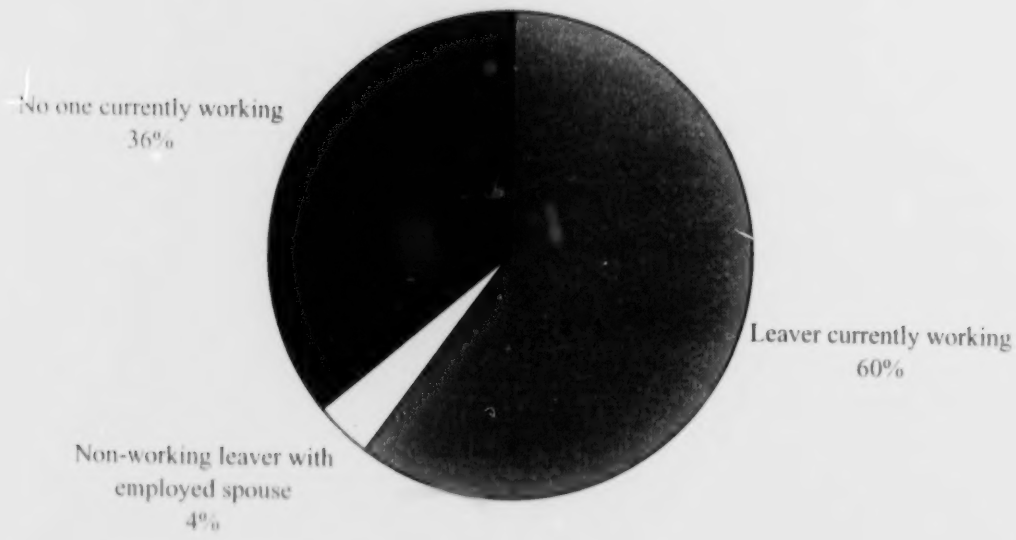
Table 6: Employment and Earnings of Welfare Leavers in the District of Columbia: 1997 Cohort, Administrative Data

	Q1	Q2	Q3	Q4	All 4 Quarters
Employment (%)					
All Leavers N= 1558	62.2	66	57.1	59.8	39.3
Continuous Leavers[1] N=1203	79.1	79.7	83.4	82.2	64.1
Median Earnings ($)					
All Leavers	3,416	—	3,395	3,934	
Continuous Leavers[1]	3,685	—	3,569	4,275	
Leavers Employed All Four Quarters N=611	3,980	—	3,861	4,430	

[1]Continuous leavers did not return to TANF during the eighteen months after exit.

Note: The employment rate is calculated by dividing the number of leavers with at least $1 of earned income in a given quarter by the number of leavers with Social Security numbers in DC Department of Human Services' ACEDS data. There are 222 leavers with no Social Security numbers; if they are added into the denominator, the "known" employment rate for all leavers in the first post-exit quarter would be 54.4 percent.

Chart 2: Employment Status of TANF Leavers in DC: Survey Findings for Leavers from October- December, 1998



The employment rate for DC's TANF leavers is very similar to those reported for other states. For example, surveys of TANF leavers in Arizona, Missouri, and Washington State find, respectively, that 61, 65, and 59 percent of their TANF leavers held jobs at the time they were interviewed (Isaacs and Lyon 2000).[13] The similarity between Washington, DC, a city that must function as a state, and this diverse group of states is quite remarkable.

Earnings

Our NDNH data contain information on quarterly earnings for the 1997 cohort of leavers. In the first post-exit quarter, the median employed leaver earns $3,416. In the fourth post-exit quarter, employed leavers earn $3,934.[14] Compared with other jurisdictions, the average quarterly earnings of DC's TANF leavers are among the highest. Leavers who did not return to TANF have slightly higher earnings, on average. Median earnings for continuous leavers are $3,685 in the first-post exit quarter and $4,275 in the fourth post-exit quarter. Leavers who worked in all four post-exit quarters have even higher median earnings. In the first post-exit quarter median earnings for this group are $3,980; by the fourth post-exit quarter, their earnings grow to $4,430. For each of these groups, percentage growth of median earnings from the first to the fourth quarter is fairly high, between 12 and 16 percent.

The NDNH data do not provide information on the number of hours or weeks that leavers work nor on the attributes of the jobs leavers hold; however, we can obtain such information from our survey of leavers from 1998.

[13] The employment rate for Arizona is based only on non-sanctioned cases; if sanctioned cases are included, the employment rate is 57 percent.

[14] We do not present quarterly earnings data for the second post-exit quarter. The earnings data provided to us by USDHHS/OCSE for that quarter appears to be implausibly high. In addition, the average number of jobs held by workers in the second quarter is higher than any other post-exit quarter (2.2 versus 1.7 jobs). Unfortunately, we only have access to summary variables and are not able to re-compute earnings.

Job Characteristics

Concerns for how well leavers are doing extends beyond being employed to the quality of jobs they have. Among those employed at the time of the survey, most worked full-time. Across all jobs, employed leavers worked an average of 35.5 hours per week (table 7). Three out of four worked at least 30 hours per week.

Employed leavers earned reasonably good wages for generally less-skilled workers just entering the labor force. The median hourly wage across all jobs for DC's employed welfare leavers is $8.13.[15] Further, three out of four earn at least $7.00 an hour, and 25 percent earn more than $10.00 an hour. These wage rates are higher than those reported for employed leavers in Arizona and Washington State. This may be influenced by that fact that DC has set its minimum wage (currently $6.15 an hour) one dollar above the federal minimum wage.

The jobs employed leavers hold, however, provide only limited non-wage benefits. Less than one-third of employed leavers have health benefits on the job. Other leaver studies have found similar low rates of employer insurance. There are several possible explanations for these low coverage rates. Leavers' jobs may not offer health insurance, or newly hired workers may be in a pre-eligibility period. In addition, leavers may decline offered coverage because (1) they are covered by other plans (like Medicaid) or (2) they cannot afford to pay their share of premium costs. Among those workers without employer-sponsored insurance (ESI) coverage, almost two-thirds work for employers who sponsor plans, and nearly 70 percent of these workers report they could participate in these plans.

[15] The median wage on the main job is not much lower, $8.03.

Table 7: Employment and Job Characteristics of Employed TANF Leavers in the District of Survey Findings for Leavers from October- December, 1998

Job Characteristics	N=167
Hours (all jobs)	
average hours	35.5
25th percentile	30.0
median hours	40.0
75th percentile	40.0
Hourly Wages (all jobs)	
average wage	$8.74
25th percentile	$7.00
median wage	$8.13
75th percentile	$10.00
Benefits	
health insurance	31.7%
pension plan	46.1%
paid sick leave	49.7%
paid vacation	62.3%
Work Schedule	
day shift	65.3%
evening shift	9.0%
night shift	4.8%
irregular/rotating	21.0%
Work-Related Costs	
any uniforms/tools	26.4%
have commuting costs	76.1%
average commuting cost	$2.86
Commuting Time	
less than 30 minutes	68.9%
more than 1 hour	7.2%
Commuting Mode	
walk	9.6%
public transportation	58.7%
own car	23.4%
other car/car pool	11.4%
other	2.4%

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

Considering other non-wage benefits, we find that less than half of employed leavers have paid sick leave, although nearly two-thirds report having paid vacation days. This means that some employees need to use vacation days for their own or a child's illness.

Access to affordable child care can be difficult for any low-income family. It can be particularly difficult when work is primarily at night or schedules are irregular, possibly changing day to day. Of employed DC leavers, 65.3 percent have regular daytime work schedules, which likely make it somewhat easier to meet child care needs. However, the other almost third of workers have more difficult schedules. Nine percent work evening shifts, 4.8 percent work night shifts, and 21.0 percent work irregular hours or rotating shifts.

Working welfare leavers must pay work-related expenses. In addition to child care, which we discuss later, workers have direct job expenses as well as commuting expenses. Over one-quarter of working leavers have to pay for uniforms or tools they use on their jobs. About three-quarters (76.1 percent) have daily commuting expenses—they must pay $2.86 a day, on average, to commute to work. However, 25 percent are paying $5 or more a day.

Difficulties getting to work can often frustrate women's attempts to move from welfare to work and remain employed. In addition to cost, there are issues of how long it takes to reach jobs and whether new jobs in the metro area can be reached by public transportation. The time it takes to get to work impacts child care costs as well. In DC, most employed leavers (68.9 percent) can get to work in 30 minutes or less; only 7.2 percent spend more than an hour commuting. Public transportation is critical for these employed welfare leavers: 58.7 percent rely on it to get to their jobs. Almost one-quarter of employed leavers use their own cars to get to work, and 11.4 percent car pool or borrow a car. About 10 percent walk to work.

Job Search Activities

Since four out of five leavers have worked at some point after exiting TANF, we are also interested in learning how they found their jobs and why some stopped working. Table 8 shows that leavers used a variety of methods to find their first jobs after leaving TANF (multiple answers to this question were allowed). The most common job search method is asking friends and relatives about employment opportunities: 35.8 percent have used this method and more than one in five have used personal contacts as their main job search activity. Almost a third of leavers have sent out resumes and/or filled out job applications and about three in ten have directly contacted potential employers. A quarter have placed or answered newspaper ads, one-fifth have looked at these ads, and 7.7 percent have responded to "help wanted" signs. A much smaller number of employed leavers used employment intermediaries: 15.8 percent used public employment agency programs or courses, which could include the welfare agency or other public employment services, 8.1 percent contacted school or community-center based job search services, and 5.0 percent attended job training. It is possible that some of these community-based job services are publicly funded. Other job search methods, such as attending job fairs, are less commonly used.

It is important to note that the leavers studied in this report left welfare prior to the District's implementation of large-scale, mandatory employment-related programs for TANF recipients. In December 1998, the District began contracting out employment services, such as job search and job readiness training, to eight private non-profit and for-profit entities. Consequently, future cohorts of leavers may make greater use of these job search services.

Table 8: Job Search Methods for TANF Leavers Who Worked in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Job Search Method, N=221	Percent[1] (%)
Contacted friend or relatives	35.8
Sent out resumes/ Filled out applications	31.7
Contacted employer	30.3
Placed or answered ads	24.9
Looked at ads	19.0
Public Employment Agency Program/Courses	15.8
Contacted school/ Community group employment center	8.1
Looked at "help wanted" signs	7.7
Attended job training	5.0
Volunteering led to job	3.2
Job fair	2.7
Other	10.4

[1]Total percentage may sum to over 100 because multiple answers are allowed.
Note: Questions were only asked of those respondents who had ever worked since exit, N=221.
Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

Child Care

Since many of the women leaving TANF have young children and most of those employed are working full-time, most will need someone to look after their children while they work. While lack of access to or ability to afford child care can be a barrier to work for jobless TANF recipients, we focus in this section on the child care arrangements used by employed leavers. Note that leavers may use multiple child care arrangements. Also note that leavers were interviewed during the school year; child care arrangements may look quite different during the summer months.

Table 9 shows that over half of all employed leavers (51.6 percent) report that their children are in school while they are at work. In addition, 13.7 percent use after-school day care programs. One in 5 send their children to a friend or relative, and 15.5 percent have a friend or relative come to their home to watch the children. About 1 in 20 report using a licensed/registered child care provider, 3.1 percent say they use a baby-sitter, and 5.0 percent say they use family day care. A small portion say the children watch themselves or an older child is responsible. Additionally, 8.7 percent report no child care is needed.

Employed leavers with children three years of age or younger are far more likely to have a friend or relative watch their children than all employed leavers with children; 33.3 percent send their children to a friend or relative and 21.7 percent have a relative come to their homes. In addition, 6.7 percent use a babysitter, 21.7 percent use a licensed provider, and 11.7 percent place their children in family day care. Note that 31.7 percent say their child is in school—this likely refers to an older sibling as the survey's child care questions ask the parent about all forms of care used for all children.

Table 9: Child Care Arrangements and Help Paying for Child Care for Employed TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Type of Arrangement N= 161	Leavers With Children 3 and Younger (%) N=60	All Employed Leavers With Children (%) N=161
Don't Need Childcare	6.7	8.7
Older Child Watches Children	1.7	3.1
Friend or Relative in Own Home	21.7	15.5
Friend or Relative in Their Home	33.3	20.5
Babysitter in Own Home	6.7	3.1
Child Takes Care of Self	0.0	5.0
Child in school	31.7	51.6
Licensed Registered Provider	21.7	11.8
Family Day Care	11.7	5.0
After School Day Care	3.3	13.7
Other	13.3	11.2
Paying for Child Care		
Received any source of child care assistance	30.0	21.1
Received child care assistance from welfare office	6.6	5.0
Received child care assistance from private source	1.7	2.5

[1]Total percentage may sum to over 100 because multiple answers are allowed.
Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

Given the relatively low use of formal child care among leavers, it is not surprising that only 21.1 percent of employed leavers with children report getting help to pay for child care. Only 5.0 percent of leavers in DC report receiving child care assistance from the welfare office in the previous month, and only 2.5 percent say they receive help from private organizations including churches. The balance of help with child care expenses comes from employers, family, and friends. For leavers with young children (age three and younger), a greater share (30.0 percent) report receiving help paying for child care, but this help does not appear to come from the welfare office (6.6 percent) or private institutional sources (1.7 percent).

It is difficult to sort out from these figures whether low use of formal care stems from difficulties in affording care, finding quality care, knowing about and accessing subsidies for child care, or whether it is a positive choice to use arrangements with family and friends. Also, since DC pays schools, child care centers, and Head Start centers directly for providing before and after school care, it is possible that leavers using this type of child care may not know that they are, in fact, receiving some child care assistance.

D. Sources of Support

While earnings are the primary source of support for the majority of TANF leavers, even those who work may use other sources of support to care for their family. Further, two out of every five TANF leavers are not working at the time of the survey. Understanding the process that leads families from welfare to self-sufficiency and how that process breaks down will help policymakers identify and address the needs of families struggling to leave and stay off cash assistance. Here, we consider the financial and other supports, public and private, that TANF leavers rely on to get by. We also examine their total monthly cash incomes. Finally, we consider health insurance coverage.

Public Transfers

TANF. While leaving TANF is the first step on the path to self-sufficiency for many, some families cannot make a clean break from cash assistance and return to the welfare rolls. Families return to cash assistance for as many different reasons as they originally leave. Some cases closed for administrative reasons are reopened after reapplication. These families may not have been attempting to leave cash assistance permanently. For others, jobs found may be lost, children who moved into other households may return, or non-TANF sources of help may dissipate.

Our survey of TANF leavers indicates that one-quarter of respondents report that they received TANF at some time since exiting the program the prior year (table 10). In the month prior to the survey, 18.8 percent report receiving TANF. The fact that the percentage ever returning to TANF in the last year is higher than the percentage receiving benefits last month indicates that even some of those who return cycle off the rolls again.

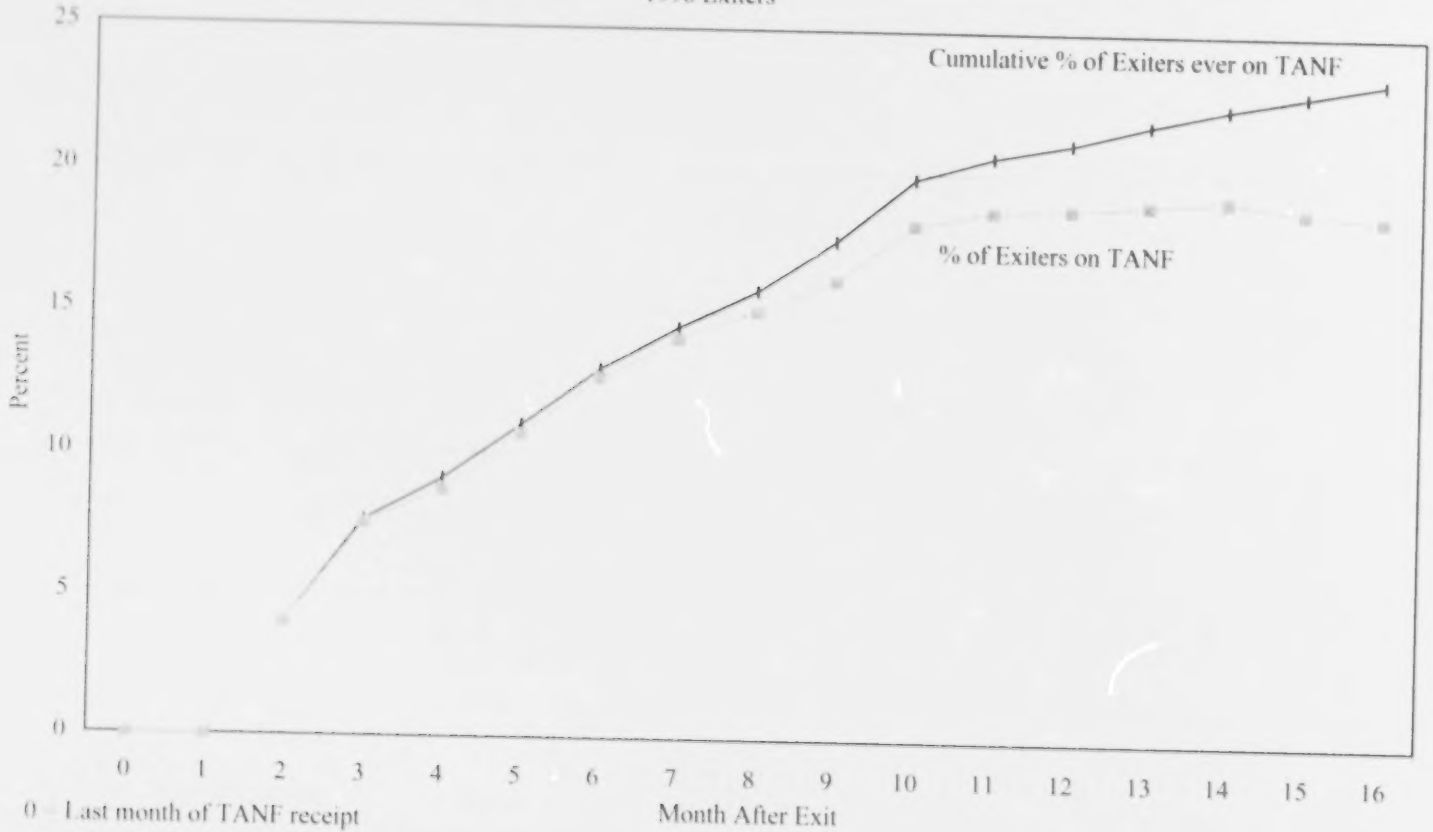
Administrative data corroborate our survey results. In the District, 23 percent of our 1998 sample received TANF at some point in the 16 months after initially leaving (chart 3 and appendix table B1). In the first year after leaving TANF, approximately one in five families had returned to cash assistance. Some of these families quickly exited TANF for a second time since our focal exit. This can be seen in the bottom line on chart 3, which shows the actual percentage of our sample on TANF in each of the 16 months after exit. After about 6 months, the percentage of families on TANF in a given month is lower than the percentage that have ever returned, indicating some families returned to TANF and left again. Sixteen months after leaving TANF, 19 percent of our sample received TANF. These results are similar to our results for the 1997 exit cohort (shown in appendix chart B1 and table B2).

Table 10: Sources of Support for All TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Source of Support, N=277	Since Exit (%)	Last month (%)
Public		
TANF	24.6	18.8
Food Stamps	55.2	40.8
WIC	16.3	12.3
WIC (of families with young children)	45.9	34.7
SSI (adult)	6.5	5.8
SSI (child)	7.6	6.1
Unemployment Insurance	5.4	2.9
Public Housing/subsidy	31.1	27.4
Fuel Assistance	8.7	2.5
Private		
Child Support	16.3	11.2
Family and Friends	20.9	11.2
Total Income		
Mean		$1,091
Median		$800
25th Percentile		$500
75th Percentile		$1,400

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

Chart 3: Percent of Exiters on TANF and Percent of Exiters Who Ever Returned to TANF by Month After Exit, 1998 Exiters



0 = Last month of TANF receipt
1 = First month of no TANF receipt

Source: Urban Institute tabulations on data from DC Department of Human Services.

Not only are our findings from survey and administrative sources consistent, they are fairly similar to the TANF participation rates reported in other leavers studies. For example, the share of fourth quarter 1998 leavers who ever return to TANF within a year is 24.5 percent in Wisconsin and 27.7 percent in Arizona (Isaacs and Lyon 2000).[16]

Next, we compare the characteristics of continuous leavers (those who left and did not return for the next 16 months) to those of families that returned to TANF over a 16-month period (returners). Table 11 shows that compared with continuous leavers, returners are younger, have younger children, and are more likely to be black and to have never been married. In the 1998 cohort, while 28.5 percent of those returning are under age 25, 24.9 percent of continuous leavers are this young. Of returning recipients, 58.7 percent have children under the age of 6, compared with just over half of continuous leavers. Almost 100 percent of returners are black compared with 96 percent of continuous leavers.

Returners and continuous leavers in the 1998 cohort are more similar than these two groups in the 1997 cohort. In that earlier group of leavers, those who returned were also younger, had younger children, and were more likely to be black and never married. But these differences were somewhat greater in 1997 than in 1998 (table 11).

Food Stamps. Another important source of support for TANF leavers is food stamps. For the most part, households with income less than 130 percent of the federal poverty line (that is, less than about $17,000 for a family of three in 1998) continue to be eligible for food stamps. Zedlewski and Brauner (1999) show that nationally as many as a third of leavers may no longer

[16] Previous studies on returns to welfare report a range of results. For example, Loprest (1999) finds that of all those leaving AFDC/TANF between 1995 and 1997, 29 percent were back on welfare in 1997. Another study examining returns in the early 1990s, a recessionary period, showed that in the first year 45 percent of all exiters returned and by the end of the second year 58 percent had returned (Pavetti 1993).

Table 11: Families Who Left TANF: Characteristics of Continuous Leavers and Returners (Administrative Data)

Characteristic	1998 Exiters		1997 Exiters	
	Continuous Leavers[1] (%)	Returners[2] (%)	Continuous Leavers[1] (%)	Returners[2] (%)
Sex				
Female	96	97	96	98
Male	4	3	4	2
Race/ Ethnicity				
Black	96.2	99.7	96.0	97.8
Hispanic	1.9	0.3	2.6	1.5
Asian	0.9	0.0	0.6	0.2
White	0.6	0.0	0.8	0.2
Age of Adult Recipient				
<20	3.8	4.6	2.3	6.5
20-24	21.1	23.9	19.3	31.9
25-29	22.3	23.9	25.8	23.7
30-34	18.2	21.0	20.2	16.4
35-39	18.0	13.8	16.7	15.2
40+	17.5	12.8	15.7	6.3
Marital Status[3]				
Single Never Married	86.1	88.6	83.2	88.9
Married	4.4	5.3	4.5	2.9
Divorced/ Separated/ Widowed	9.3	5.9	12.3	7.7
Number of Children				
0	5.9	0.3	5.0	0.5
1	44.3	46.2	44.6	51.5
2	26.8	33.8	28.7	27.5
3	15.1	12.5	13.9	12.3
More than 3	7.8	7.2	7.8	8.2
Age of Youngest Child				
<1	9.8	9.2	8.9	13.5
1-5	41.7	49.5	43.0	51.2
6+	48.5	41.3	48.1	35.3
Sample Size	999	305	1366	414

[1]Exiter never returned to TANF in 18 months.

[2]Exiter returned to TANF at some point in 18 months.

[3]Married includes common-law marriages, 0.1%.

Note: These samples exclude child-only cases.

Source: Urban Institute tabulations on data from DC Department of Human Services.

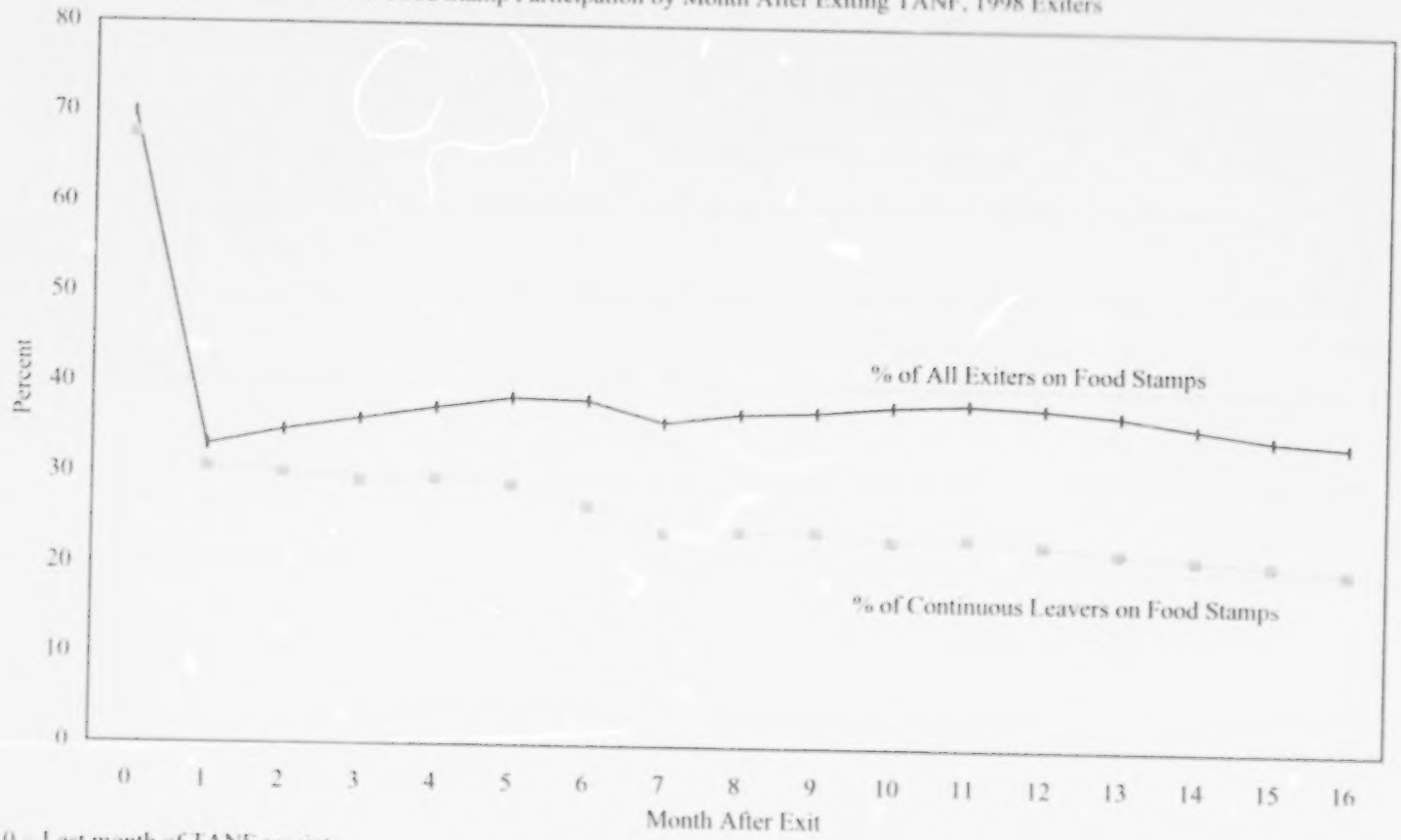
be eligible for food stamps. However, even among very low-income families (below 50 percent of poverty) that very likely qualify for benefits, 23 percent do not receive food stamps.

Our survey indicates a year after exit, about half of leavers receive food stamps, including those who returned to TANF: 40.8 percent of leavers report food stamp receipt in the month prior to the survey, and a little over half report receiving food stamps at some point after exiting TANF (see table 10). While it is likely that in the year after leaving TANF a decreasing number of families are eligible for food stamps because of increases in earnings, it is still noteworthy that less than half of families are receiving food stamps in the prior month. This is particularly interesting considering about 20 percent of families are receiving TANF in the prior month, and we expect this group, for the most part, also receives food stamps.

Chart 4 and appendix table B1 show the percentage of leavers in our administrative data receiving food stamps in each of the first 16 months after exit. While these results are similar to our survey findings for 12 months after exit, with these data we can examine the extent to which food stamps receipt drops at the time of exit. We find that in the first month after leaving TANF, food stamp participation fell by more than half among DC 1998 leavers, from 70 percent to 33 percent.[17] (Results for the 1997 cohort, shown in appendix chart B2 and appendix table B2, are similar). This result is similar to many other leaver studies. For example, Wisconsin's analysis of its administrative data indicates that 49 percent of families that left TANF received food stamps at some point during th first 3 months after exiting TANF (Brauner and Loprest 1999). Some of the sharp decline in participation is likely due to TANF leavers being ineligible for food stamps

[17] That only 70 percent of families receive food stamps in their last month of cash assistance receipt is somewhat surprising. Three months prior to leaving TANF, 82 percent of families who exit were receiving food stamps.

Chart 4: Food Stamp Participation by Month After Exiting TANF, 1998 Exiters



0 = Last month of TANF receipt
1 = First month of no TANF receipt
Source: Urban Institute tabulations on data from DC Department of Human Services.

because of increased earnings.[18] However, we cannot determine to what extent this is true here because we do not have information on leavers' incomes at the time of exit.

The decline in food stamp participation among welfare leavers is also linked to the large number of TANF cases that DC closes for administrative reasons. Periodically, TANF and food stamp recipients must report to the welfare office and provide information to "re-certify" that they are eligible for these programs. If a TANF case is closed because a recipient failed to attend an appointment or provide needed documentation (administrative reasons), it is likely that the food stamp case was closed for similar administrative reasons. The District's administrative data show that among TANF leavers who do not receive food stamps in their first month off TANF, 83.4 percent left TANF for administrative reasons. Consequently, some of the TANF leavers who also left the Food Stamp program may remain eligible for food stamps.

In chart 4, we compare the food stamp participation by continuous leavers (depicted on the lower line marked by squares) and all families that left TANF (upper line marked by diamonds). The latter group includes continuous leavers as well as families that returned to cash assistance at some point over the 16-month period. Among all leavers, food stamp participation remains fairly constant at around 36 percent after the initial sharp decline, consistent with the 40 percent participation rate reported by survey respondents. Among continuous leavers, the percentage receiving food stamps falls from 30 percent to 20 percent over these 16 months. While not strictly comparable, Loprest (1999) finds that nationally, 31 percent of families that stopped receiving AFDC between 1995 and 1997 and were not receiving TANF/AFDC in 1997 received food stamps in 1997.

[18] Families could also be eligible for only small food stamps benefits due to earnings and decide it is not worth continuing with reporting requirements. This could explain some of the decline in food stamps participation before exiting TANF.

Other Sources of Public Support. For other sources of public support, we rely solely on our survey data (see table 10). Assistance from the Women, Infants, and Children (WIC) program, which provides supplementary nutritional assistance to low-income women with young children, is also a common source of support. One in six families received WIC after exiting TANF. Among families with young children, 45.9 percent received WIC at some point after exiting TANF and over one-third received WIC in the month prior to the time of the survey.

Additional sources of public assistance include Supplemental Security Income (SSI) and unemployment benefits. The SSI program, which provides cash assistance for adults and children with disabilities, aided 11.9 percent of leavers in the previous month, and 14.1 percent of leavers received it (for an adult or child) after exiting. That SSI participation among leavers is this high is somewhat surprising, since only 2.2 percent report that they left TANF for SSI.[19] Unemployment insurance (UI) provided support to only 5.4 percent of leavers after exiting TANF and only 2.9 percent last month despite the fact that almost 40 percent of leavers were not working. The low rate of receipt likely reflects the fact that TANF leavers either worked in jobs that were not covered by the UI system or failed to compile the work history required to be eligible to receive UI.

Less than a third of TANF leavers lived in public housing or received public rent subsidies after leaving TANF and slightly more than a quarter did in the prior month. Given the relatively high rents in the metro DC area, it is likely this relatively low rate of housing assistance affects the rate of families doubling up, discussed in the next section. Receipt of fuel assistance is relatively low, 8.7 percent since leaving TANF, perhaps in part because of mild winters in the DC area.

[19] Families can receive SSI for one member and TANF for others, so leavers who live in families receiving SSI may have been receiving SSI prior to leaving TANF for SSI.

Private Transfers

Leavers also rely on private (non-government) transfers (see table 10). Child support is one private source of support. At some time in the year after leaving, 16.3 percent report receiving child support payments and 11.2 percent report receipt in the last month.[20] A final important source of support is family and friends. While this source may or may not be a consistent source of income, one in ten report receiving help paying bills from family or friends in the past month, and one in five report receiving such assistance at some time after exiting TANF.

Total Income

Our survey asks respondents to approximate their families' monthly cash income from all sources. We find that the mean monthly total cash income of leavers is $1,091. The median leaver, however, reports a monthly income of only $800. The poorest 25 percent of leavers have monthly incomes below $500, while the richest 25 percent have incomes above $1,400. If incomes remain stable over a 12-month period, these figures imply that the median leaver must make do on less than $10,000 a year and even the relatively well-off leavers at the 75th percentile have incomes hovering near the poverty line for a family of four.

Health Insurance

Health insurance coverage is an important measure of access to quality health care. Low-income families that left TANF through increased earnings can receive Transitional Medicaid Assistance (TMA) for up to 12 months after exiting cash assistance, and families with incomes below 200 percent of the federal poverty line can qualify for health insurance coverage under

[20] These rates are lower than those reported in other jurisdictions, and the difference may be due to the high number of never-married leavers in DC relative to other locations.

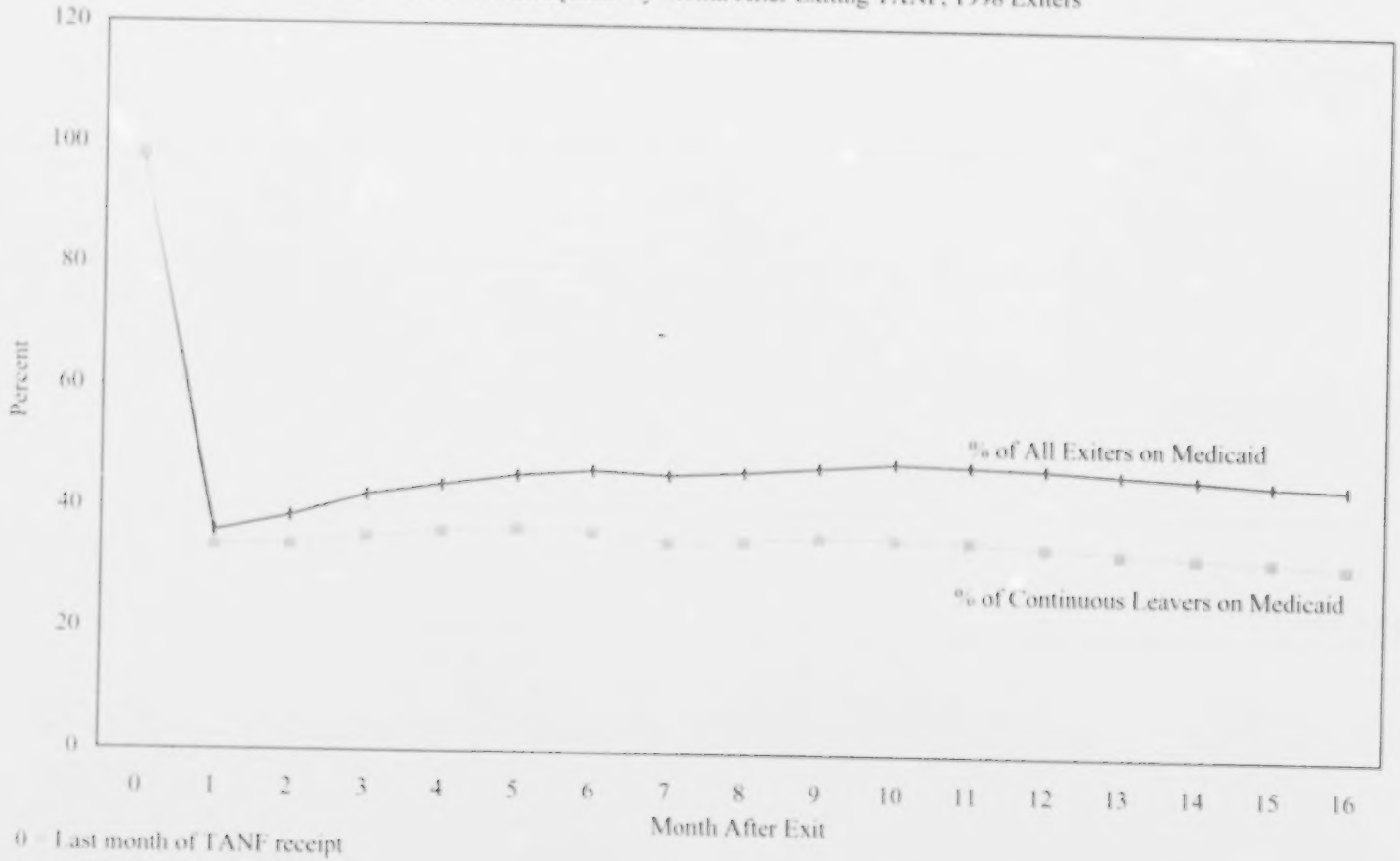
DC's Healthy Families program.[21] Loprest (1999) shows that nationally, of those who left welfare between 1995 and 1997 and remained off in 1997, 34 percent of adults were receiving Medicaid. Large declines in Medicaid caseloads among recent TANF leavers have also been reported (Garrett and Holahan 2000). These sharp declines in Medicaid participation are also apparent in DC.

Chart 5 and appendix table B1 show the pattern of Medicaid enrollment among adults leaving TANF in 1998 using administrative data. (Results for the 1997 cohort, shown in appendix chart B3 and table B2, are similar). As with participation in food stamps, Medicaid enrollment declines sharply among TANF leavers. Medicaid receipt (for the adult TANF leaver) drops from 98 percent to 36 percent in the first month after exit from TANF. The District's administrative data show that among TANF leavers who are not enrolled in Medicaid during their first month off TANF, 85.6 percent left TANF for administrative reasons while 2.6 percent of the cases closed because of changes in economic well-being.

The upper line in chart 5 describes Medicaid participation for all TANF leavers while the lower line depicts the experience of continuous leavers. The percentage of all adult leavers enrolled in Medicaid in a given month actually rises over time from 36 percent to about 48 percent 12 months after exit, declining slightly thereafter to 45 percent at 16 months after exit. Among continuous adult leavers, the percentage on Medicaid remains fairly steady, changing from 34 percent to 35 percent at 12 months and 32 percent at 16 months after exit.

[21] Eligibility for food stamps and Medicaid are complex and depend on many factors in addition to income. DC's Healthy Families program began in October 1998. It is important to note that Transitional Medicaid (TMA) is only available if DC *knows* that the family left TANF due to earnings. If DC closes the case for an "administrative reason," the family will not receive TMA.

Chart 5: Medicaid Participation by Month After Exiting TANF, 1998 Exiters



0 = Last month of TANF receipt
1 = First month of no TANF receipt
Source: Urban Institute tabulations on data from DC Department of Human Services.

Our survey finds slightly higher Medicaid coverage rates for TANF leavers.[22] At the time of the survey, 53.8 percent of adults are covered by Medicaid (see table 12). In addition, many of those not covered by Medicaid have other sources of coverage. Table 12 shows that 19.1 percent of leavers have health insurance through their employers. A small number of the remainder are covered under someone else's policy, privately bought insurance, or other sources. Of all adult leavers, 22.4 percent are uninsured.

Jobless leavers generally do not have access to employer-sponsored health insurance in their own name, but nearly three-fourths of jobless leavers are covered under Medicaid. Overall, 23.6 percent of jobless leavers are uninsured—similar to the 21.6 percent of working leavers lacking health insurance coverage.

Based on data from the survey, a higher percentage of children than adults are covered by Medicaid in DC. Of all leaver families, 60.4 percent have children covered by Medicaid. This higher coverage translates into a lower rate of uninsurance than among adults: 15.8 percent of leaver families' children are uninsured. Fewer children are covered by employer insurance than adults. Only 11.9 percent have a child covered by employer-sponsored health insurance.

Public insurance coverage for children is much lower among employed leavers than jobless leavers: 48.5 percent of employed leavers have children covered through public programs, while 79.8 percent of jobless leavers have children with this coverage. Overall, this leaves far fewer jobless leavers with uninsured children, 10 percent compared with 19.3 percent for employed leavers' families.

[22] Coverage under DC's Healthy Families Program is included under the term "Medicaid."

The higher rate of uninsured children among employed leavers could reflect ineligibility for public insurance due to higher incomes for some. However, the children of most leavers are likely eligible for Medicaid even if their parents are working. In fact, DC covers a substantial portion of all low-income children (regardless of past or present welfare receipt) under its Medicaid program.[23] The difference in coverage across the employed and jobless groups raises the question of whether employed leavers are aware that their children continue to be eligible for Medicaid. Table 12 shows the reasons given by leaver families for not having Medicaid coverage for their children where all the children are uninsured (multiple answers are allowed). In these families, 19.0 percent did not think they were eligible for Medicaid. Some of these leavers have applied for Medicaid but have been denied coverage (9.5 percent), while 19.0 percent have applied but not yet been enrolled. Another 19.0 percent have not applied for recertification, although some expressed they knew they needed to do so. One out of six leavers with uninsured children report that getting Medicaid coverage was too much of a hassle.

E. Living Arrangements

Proponents of welfare reform argued that stricter welfare laws would promote stable two-parent families while critics of reform feared that, lacking resources, single mothers would be forced into unstable living arrangements or possibly to break up their families, sending their children to live with relatives or friends. We find that among all leavers, 12.6 percent are married or living with a partner at the time of the survey (table 13).

Many changes in household living arrangements occurred during the year after leaving TANF. About 5.8 percent of leavers either married or began living with a partner. In contrast, 6.9 percent separated or divorced from a spouse/partner. So while marriage is occurring, so are

[23] DC estimates that its Medicaid program covers approximately 80 percent of all children living in families with incomes below 200 percent of the federal poverty line (DC 2000).

Table 13: Living Arrangements of TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Living Arrangement, N=277	Percent (%)
Lives with spouse/partner	12.6
Got married/partnered	5.8
Got separated/divorced	6.9
Took in family/friends	16.6
Took in boarders	4.7
Moved in with family/ friends	22.0
Children moved out	7.6
Children returned	4.7

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

breakups. The 12.6 percent married or living with a partner is far higher than the 2.9 percent of leavers who are reported to be married (in administrative data), likely reflecting a large number of unmarried, cohabiting couples.

Our survey also finds that, beyond partners, the household composition of DC's TANF leavers is very fluid. In just about a year's time, 16.6 percent of leavers report taking in family and/or friends, and 22.0 percent say they themselves moved in with family and/or friends. This could indicate difficulties in paying rent or finding affordable housing. In fact, some (4.7 percent) took in boarders (non-relatives who pay rent).

Children also move in and out of these households fairly frequently: 7.6 percent of leavers report that a child moved out of the home while 4.7 percent report that a child has rejoined the family. These numbers could reflect parents voluntarily having children live with others for financial reasons. It may also include children involved in DC's Child and Family Services Agency (e.g., child protective services cases). Unfortunately, for both adult and child household movements, we do not know if these numbers are much higher than those of families receiving TANF.

F. How Are Jobless and Never-Employed Leavers Getting By?

We have discussed the relatively high rate of employment among leavers, but there are still 40 percent of leavers without jobs. Why aren't these leavers working and how are they and their families surviving?

Table 14 shows the reasons jobless leavers give for not working. Almost a quarter report they cannot find a job, 20.0 percent report they could not work because they lacked child care, and 8.2 percent say they must care for others. Additionally, 9.1 percent report they lack transportation. These frequently mentioned reasons for not working are all areas where policy

Table 14: Reasons Not Working for Jobless TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Reason, N=110	Percent[1] (%)
Cannot find job	24.6
Personal health reasons	17.3
Lack child care	20.0
Caring for another	8.2
Currently or recently pregnant	10.0
Lack transportation	9.1
Want to stay home with children	6.4
In school	4.6
Lack skills / experience	2.7
Taking care of home and family	1.8
Can't find job that pays enough	1.8
Too old	1.0
Returned to TANF	0.9
Other	14.5

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

[1]Total percentage may sum to over 100 because multiple answers are allowed.

can potentially have impact on supporting work—through job search support and child care and transportation assistance.

In addition, 17.3 percent cite personal health as their reason for not working, and 10.0 percent report that they are currently or have recently been pregnant. Finally, a smaller number of leavers report they are in school, lack the skills and experience to work, or are too old to work.

These are the reasons currently jobless leavers give for not working. But many jobless leavers worked at some time since exiting TANF in 1998. Indeed, job turnover is high in the low-skill labor market, and people lose or leave jobs after relatively short time periods. As we have already shown, while 40 percent of leavers are not currently working, half of these have worked in the past year. Thus, even jobless leavers may rely on past earnings (and the anticipation of a new job) to get by.

Table 15 shows the distribution of months worked since exit for those not currently working at the time of the survey. About half have not worked at all since leaving welfare and another 3.6 percent have worked less than a month. About a quarter of currently jobless leavers have worked at least half the months since leaving welfare. For this group, work is in part the answer for how they and their families are getting by. For the minority of families with a spouse/partner, their work may also be providing support. Among currently jobless leavers, 9.1 percent have a spouse or partner who is currently working. A similar percentage of those who have not worked at all since exit have a working spouse or partner (8.9 percent, not shown).

What other sources of income do the 40 percent of leavers who are not currently working and the 20 percent of leavers who have not worked since exiting TANF rely on to make ends meet? Table 16 shows sources of support for both groups, first those currently jobless, and then

Table 15: Past Employment and Spouse/Partner Employment of Jobless TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Employment Since Leaving TANF, N=110	Percent (%)
Have not worked	50.9
Worked 1 month or less	3.6
Worked 1-4 months since exit	17.3
Worked 5-8 months since exit	13.6
Worked 9-12 months	13.6
Undetermined number of months	1.0
Has an employed spouse/partner	9.1

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

Table 16: Sources of Support for Jobless TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

	Not Currently Working N=54		Haven't Worked Since Exit N=56	
Source of Support	Since Exit (%)	Last month (%)	Since Exit (%)	Last month (%)
Public				
TANF	39.1	30.9	28.6	25.0
Food Stamps	74.6	63.6	69.6	58.9
SSI (adult)	10.9	10.0	19.6	17.9
SSI (child)	12.9	9.1	17.9	16.1
WIC	20.1	17.3	21.4	19.6
WIC (among families with young children)	59.0	48.7	63.2	57.9
Received Any of the Above	*83.6*	*72.7*	*83.9*	*75.0*
Unemployment	9.1	5.5	3.6	1.8
Public Housing/Rent subsidy	33.6	30.0	31.6	26.3
Fuel Assistance	10.0	2.7	8.8	1.8
Private				
Child Support	9.1	6.3	8.8	8.8
Family and Friends	23.6	10.2	19.3	8.7

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

separately the subset who have not worked since exiting TANF. (Note that the shares of jobless leavers receiving public transfers are higher than the shares reported for all leavers in table 12).

Among those who are not currently working, 30.9 percent of jobless leavers report receiving TANF last month and 39.1 percent received TANF at some point in the past year. Interestingly, those who never worked are less likely to return to TANF than jobless leavers in general. Indeed, only 28.6 percent of leavers who never worked ever returned to TANF and only one-quarter received TANF last month.

By far the most common source of support among jobless leavers is food stamps, with 74.6 percent receiving benefits at some time after leaving TANF and 63.6 percent receiving food stamps last month. Again, food stamp receipt is slightly less common among those who never worked.

One reason why leavers who never worked are less likely to participate in TANF and food stamps than currently jobless leavers who have worked at some point since exit is that those who never worked are more likely to receive SSI. Indeed, 17.9 percent of leavers who never worked received SSI for an adult last month, compared with 10.0 for all jobless leavers. Similarly, those that never worked are more likely to receive SSI for a child than jobless leavers who worked in the past.[24]

Taking TANF, food stamps, SSI, and WIC together, we find that about three out of every four jobless leavers (72.7 percent) and jobless leavers that never worked (75.0 percent) received some public transfers last month. In contrast, 38.3 percent of working leavers received such transfers last month.

[24] Recall that 5.8 percent of leavers received SSI themselves and 6.1 percent had a child on SSI last month (see table 10).

If we consider only those leavers who never worked since exit and have not returned to TANF, we find that 79.0 percent received non-TANF public assistance last month. Almost 60 percent of this group received food stamps and about a quarter received SSI benefits.

Turning to private transfers, we find that few jobless leavers in DC are receiving child support, only 6.3 percent in the prior month. This is much lower than the 14.4 percent of employed leavers receiving child support last month (not shown). Though we might expect jobless leavers to rely on family and friends for financial help, only 10.2 percent received this help in the past month and 23.6 percent after leaving TANF. These rates are not any higher than the rates for employed leavers.

Leavers who have not worked in the past year are only slightly more likely to have received child support in the last month and slightly less likely to receive help from family and friends paying bills than other jobless leavers who have worked. Only 8.8 percent received child support last month and 8.7 percent received help paying bills from family and friends.

Finally, some jobless leavers rely on a spouse or partner for support. Table 16 shows that 9.3 percent of jobless leavers who have worked since exit and 8.9 percent of those who have never worked since exit have a working spouse or partner.

G. Hardship

At $8 an hour, a leaver working full-time, full-year can expect to earn over $16,000 a year. Even very successful leavers who work 40 hours a week and earn $10 an hour make about $20,000 a year. In other words, they are still in low-income families. And income cannot reflect all the difficulties these families face—for example, having to choose between paying the rent and paying the electric bill, worrying about having enough food, and so on. Our survey asks about the hardships leavers face. We also examine whether they experienced these hardships

Table 12: Health Insurance Coverage of TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Health Insurance Coverage	All Leavers (%) N=277	Currently Employed Leavers (%) N=167	Jobless Leavers (%) N=110
Adults			
Employer	19.1	31.7	0.0
Medicaid/Public	53.8	40.7	73.6
Someone else's policy	2.5	3.0	1.8
Private	1.1	1.8	0.0
Other	0.4	0.6	0.0
Uninsured	22.4	21.6	23.6
Don't Know	0.7	0.6	0.9
Children[1]			
Employer	11.9	19.3	0.0
Medicaid	60.4	48.5	79.8
Someone else's	6.5	6.8	6.1
Private	2.3	3.7	0.0
Other	1.9	1.2	3.0
Uninsured	15.8	19.3	10.1
Don't Know	1.2	1.2	1.0
Why no Medicaid for uninsured children?			
Didn't think child was eligible	19.0		
Applied/ Denied	9.5		
Didn't Apply /Recertify	19.0		
Applied/ Pending	19.0		
Too Much Hassle	16.7		
Other	19.0		

[1] 17 leavers have no children living with them at the time of the survey.

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

prior to leaving TANF and compare the experiences of working and jobless leavers. Interestingly, we find that leavers report that they experienced about the same levels of hardship both before and after exiting TANF.[25]

For example, as table 17 shows, 27.4 percent of leavers report problems paying the rent since leaving TANF; the exact same proportion report that they had trouble paying the rent while they were on cash assistance. Even though slightly over one-quarter report trouble paying the rent, 5.7 percent of leavers report being forced to move and 2.9 percent report experiencing homelessness; this is slightly lower than the share experiencing these hardships while they received TANF. In addition, 29.2 percent report having trouble paying utility bills since exiting, while a virtually identical 28.8 percent had trouble prior to exit. Even though over a quarter report trouble paying these bills, fewer than one in ten had to go without heat, electricity, or water since exiting TANF. Again, this is similar to their experiences while receiving benefits.

More than 1 in 5 leavers say they cannot afford child care, but this was true before they left TANF as well. And just over 1 in 20 leavers had a child live with someone else because they could not take care of them; again, similar to their experiences while on TANF.

Finally, 8.3 percent of leavers report that since exiting TANF, they cannot afford medical care. This is substantially higher than the 3.2 percent who said they could not afford medical care while they were still on TANF. Note, however, that the 8.3 percent who say they could not afford medical care is far smaller than the 22.4 percent who are uninsured, suggesting either that the uninsured did not need medical attention or received uncompensated care through an emergency room or free clinic.

[25] Note that we are asking respondents to recall hardships they experienced over a year ago when we ask about their experiences prior to leaving TANF. This long recall period may account for some of the similarities reported in levels of hardship reported before and after exit.

Table 17: Hardships Reported by TANF Leavers in the District of Columbia:
Survey Findings for Leavers from October- December, 1998

	All N=277		Currently Employed N=167		Currently Jobless N=110	
Hardship Reported	Before Exit (%)	Since Exit (%)	Before Exit (%)	Since Exit (%)	Before Exit (%)	Since Exit (%)
Behind on paying rent/housing	27.4	27.4	28.1	28.1	26.7	26.7
Behind on utilities bills	28.8	29.2	29.3	32.9	28.2	23.6
Moved b/c housing costs	8.3	5.7	8.38	5.4	8.2	6.4
Went to a homeless shelter	4.7	2.9	4.2	1.2	5.5	5.5
Had to go without heat	7.2	4.7	8.4	6.0	5.5	2.7
Had to go without electricity	7.2	5.8	7.8	5.4	6.4	5.5
Had to go without water	2.2	2.9	3.0	4.2	0.9	0.9
Could not afford child care	22.0	20.2	16.8	18.0	30.0	23.6
Child sent to live elsewhere[1]	6.1	5.4	6.0	4.8	6.4	6.4
Could not afford medical care	3.2	8.3	2.4	7.8	4.6	9.1

[1]Question asked is: "Did your children ever have to live with someone else because you could not take care of them?"
Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

Next we compare the well-being of TANF leavers who are working at the time of the survey to those who are jobless. Interestingly, there are few differences between these two groups. Since exiting TANF, 28.1 percent of employed leavers report trouble paying the rent, compared with 26.7 percent of jobless leavers. A greater share of employed leavers report trouble paying utility bills (32.9 versus 23.6 percent for jobless leavers) and having to forgo heat (6.0 versus 2.7 percent for jobless leavers). On the other hand, employed leavers are less likely to report problems affording child care than jobless leavers (18.0 versus 23.6 percent).

Though it may appear counter-intuitive, there are several possible explanations for seeing the same level of hardship for employed and non-employed leavers. Some of the jobless leavers have returned to TANF—since TANF leavers experienced about the same levels of hardship while they were on TANF as they do since exit, jobless leavers who returned to TANF should continue to experience about the same level of hardship. Other jobless leavers (those with disabilities or disabled children) have turned to SSI, which provides a higher level of financial assistance than TANF. Indeed, as we show above, virtually all jobless leavers received some form of public assistance last month.

Finally, we consider problems with providing food. Table 18 shows that over half of all leavers report that they worry about having enough food at least some of the time and about half report that their food did not last through the end of the month. Nearly a quarter of leavers report they cut the size or skipped meals at least some of the time. Interestingly, currently employed leavers are slightly more likely than jobless leavers to report that they often worry about having enough food, that their food did not last, and that they cut the size of or skipped meals.

Table 18: Food Insecurities Since Exit Reported by TANF Leavers in the District of Columbia: Survey Findings for Leavers from October- December, 1998

	Often	Sometimes	Never
All Leavers N=277			
Worried about having enough food	15.5	37.6	45.9
Food did not last	12.6	32.9	52.7
Cut size or skipped meals[1]	5.8	19.1	75.1
Currently employed N=167			
Worried about having enough food	18.6	34.7	46.1
Food did not last	13.8	32.9	52.1
Cut size or skipped meals[1]	6.0	18.6	75.4
Currently jobless N=110			
Worried about having enough food	10.9	41.8	45.5
Food did not last	10.9	32.8	53.6
Cut size or skipped meals[1]	5.5	20.0	74.5

[1]Responses are based on two questions: if the person ever cut meal size, and how frequently. Those who ever cut size or skipped meals are asked if they did so "every month," "some months," or "rarely." Every month is coded as "often," while some months and rarely are coded as "sometimes."
Note: Rows may not sum to 100% because of non-response.
Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

V. Summary and Conclusion

Since implementing welfare reform in 1997, the District of Columbia has seen its welfare caseload drop by 23.8 percent, falling to just over 18,000 families in December 1999. This significant decline is, nevertheless, smaller than the 36.9 percent decline in the welfare caseload nationally over the same time period, but similar to other urban areas.

We find that families leaving TANF are generally representative of the entire caseload in most demographic respects; however, leavers are less likely to have large families (three or more children) and have children under the age of six. Further, there are only minimal differences between welfare leavers in our two cohorts (1997 and 1998).

Focusing on the heads of TANF units, our survey of TANF leavers, conducted approximately one year after they left welfare, indicates that three out five leavers held jobs at the time they were interviewed. The employment rate for leavers in DC is similar to the rates reported in other state leaver studies (see Isaacs and Lyon 2000). The average (median) working leaver earned over $8 an hour and worked full-time. While less than one-third of employed leavers have employer-sponsored health insurance, 40.7 percent are covered under public plans like Medicaid—only 21.6 percent are uninsured. In addition, less than one-half of employed leavers have paid sick leave or pension plans, though 62.3 percent have paid vacation days. Two-thirds of employed leavers work regular, daytime shifts, while one-fifth have irregular hours.

Although employed leavers face work-related costs, for DC's leavers, these costs, in general, are not prohibitive. About one-quarter of leavers must purchase tools or uniforms for work and three-quarters must pay commuting costs; on average, commuting costs run under $3 per day and nearly 70 percent of working leavers spend 30 minutes or less traveling to work. In addition, child care can be an important obstacle keeping welfare leavers from working. In DC,

nearly one in eight non-working leavers say that lack of adequate, affordable child care prevents them from working, and almost half of working leavers say their children are in school (and thus, do not require full-time child care).

While many would consider the 60 percent employment rate among welfare leavers to be good news, there is also concern about the well being of the 40 percent of leavers who were jobless at the time of the survey—how are they getting by? About half the jobless leavers worked at some time after exiting welfare, and nearly three-quarters received some public assistance (TANF, food stamps, SSI, and/or WIC) in the month prior to the survey. Among those who never worked after leaving, more than four out of five turned to public assistance for support. Interestingly, working and jobless leavers report similar levels of hardship (trouble paying bills, going without electricity, etc.) and the levels of hardship are about the same both before and after leaving TANF.

Finally, we find that about one-quarter of all families that left TANF during the last quarter of 1998 returned to TANF at some point, but fewer than one in five were receiving benefits in the month prior to the survey. This suggests that most families that left TANF stayed off while some fell back on the rolls before cycling off again and some have returned for an extended period of time. In addition, there is a large decline in food stamps receipt and a somewhat lower decline in Medicaid receipt associated with exit from welfare. Less than half of families are receiving these benefits even in the first few months after exit. While this, in part, reflects reduced eligibility due to increased earnings, it points out the limited role food stamps and Medicaid are playing as transition benefits for former recipient families.

Overall, our study of TANF leavers in the District of Columbia reveals that many families have made the transition from welfare to work, and those that have not are making use

of public assistance programs to get by. In terms of their labor market success and ability to stay off TANF, DC's TANF leavers resemble TANF leavers in other states. That the status of DC's TANF leavers is comparable with leavers from around the country is somewhat of a pleasant surprise, given that DC is a single urban jurisdiction, it lacks the diverse resources of most states, and its welfare recipients tend to be more disadvantaged than recipients nationwide.

Nevertheless, it is important to note that in DC, as well as throughout the US, TANF leavers still merit concern from policymakers. While the majority remain off public assistance and hold down jobs, about a quarter return to TANF and continue to use up their lifetime allotment of federal assistance. Additionally, while leavers report similar levels of material hardships after leaving as before leaving TANF, the absolute levels of these problems are still relatively high. The fact that the majority of leavers do not receive food stamps and Medicaid in the first few months after exiting TANF might contribute to these hardships and warrants further attention.

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Appendix A: Technical Information on the Survey of TANF Leavers in the District of Columbia

A. Survey Methods

Our survey of families that left TANF during the last quarter of 1998 was conducted by the Institute for Social Research (ISR) at the University of Michigan. The bulk of the interviews were conducted over the telephone using a computerized survey instrument; certain respondents who lacked telephones we attempted to interview in person. The average interview lasted about 30 minutes.

Out of the 1,304 families that left TANF in the last quarter of 1998, ISR randomly selected 453 to interview. Out of these 453 cases, ISR was able to contact 290 families; only 13 families refused to participate in the survey, resulting in a sample of 277 leavers and a response rate of 61 percent. To contact families, ISR made repeated calls to the last known telephone number for leavers, and if the leaver no longer resided there, ISR asked for help in locating the respondent. ISR also sent representatives out into the field to help locate leavers who had moved. Survey respondents were paid $20 for participating. In addition, when the contact information provided by DC did not lead directly to the sample family but rather to a friend or relative, ISR offered a small "finders fee" ($10) to help in locating the family.

B. Representativeness of the Sample

Because we have administrative data for respondents as well as non-respondents (both those we could not locate and those who refused to complete the interview), we can compare these two groups to see if our survey findings can be applied to all leavers in this cohort. If non-respondents appear to be appreciably different from respondents, then our findings from the survey may paint a misleading picture of the well-being of TANF leavers.

Appendix table A1 shows that non-respondents are slightly more likely to be teenagers and have children under the age of 1 than respondents: 6.8 percent of non-respondents are under the age of 20 (versus 2.9 percent of respondents) and 13.6 percent have an infant (versus 8.7 percent for respondents). Given that young mothers with infants could not have been eligible for benefits for very long prior to exit, it is not surprising that non-respondent leavers had shorter spells of welfare receipt prior to exit than respondents. Further, non-respondents are slightly more likely than respondents to be off TANF a year later (90.3 versus 83.0 percent). Thus, our sample of leavers has slightly fewer young mothers who turned to welfare only briefly. It is important to note that these women make up a small proportion of all leavers, and it is not clear if these women fare appreciably differently than other leavers. In general, these comparisons lead us to believe that our sample is broadly representative of all leavers, though we would caution against using our data to focus on sub-groups like teen mothers or short-term welfare recipients.

Another way to examine the representativeness of the sample is to compare cases that were easy to interview with cases that were hard to locate and interview. Some analysts believe that th characteristics of the hard-to- interview cases lie between the easy-to-interview cases and the non-respondents. If the hard-to-interview leavers appear to be much worse off (or much better off) than the easy-to-interview leavers, then the non-respondents may be unlike the respondents in important ways, and this would call into question the representativeness of the sample.

We define an easy-to-interview case as one in which the interview was completed within 11 or fewer telephone calls—this comprises 76 percent of the sample. The hard-to-interview cases required between 12 and 43 telephone calls and comprise 24 percent of the sample. We find that the hard-to-interview cases are neither clearly better nor worse off than the easy-to-

Appendix Table A1: Comparison of TANF Leavers in the District of Columbia: Survey Findings for Leavers from October-December, 1998

Characteristics	Respondents (%)	Non-Respondents (%)	1-11 calls (%)	12-43 calls (%)
Sample Size	277	176	210	67
Age of PI				
Less than 20	2.9	6.8	1.4	6.0
20-29	41.5	43.2	40.0	47.8
30-39	41.2	42.1	40.0	32.8
40 and older	14.4	15.3	18.6	13.4
Marital Status				
Married	4.0	3.4	4.8	1.5
Never Married	88.8	88.6	88.1	91.0
Separated	4.3	5.1	3.3	7.5
Divorced	2.2	2.8	2.9	0.0
Number of Children				
0	6.1	4.5	6.2	6.0
1	36.5	52.8	35.2	40.3
2	34.3	23.2	37.1	25.4
3	13.4	12.5	11.9	17.9
4+	9.8	6.8	9.5	10.5
Age of Youngest Child				
0-1	8.7	13.6	8.1	10.5
1-5	42.9	38.1	42.4	44.8
6 and older	48.4	48.3	49.5	44.8
Total time on AFDC				
A year or less	10.5	17.3	10.9	9.0
1-2 years	12.0	18.8	12.4	14.9
More than 2 years	76.5	63.6	76.7	76.1
Off TANF after one year	83.0	90.3	82.9	83.6

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

interview cases—rather, their experiences are more diverse (see appendix table A2). For example, easy-to-interview cases are slightly more likely to work than hard-to-interview cases (61.9 versus 55.2 percent), but among those who work, the hard-to-interview have higher wages ($9.14 versus $8.50 per hour on average). To the extent that non-respondents are more likely to resemble the hard-to-interview cases, this bifurcation in outcomes among the hard-to-interview suggests that our survey results are not likely to misrepresent the outcomes for the "average" leaver, although they may miss some of the variation in outcomes.

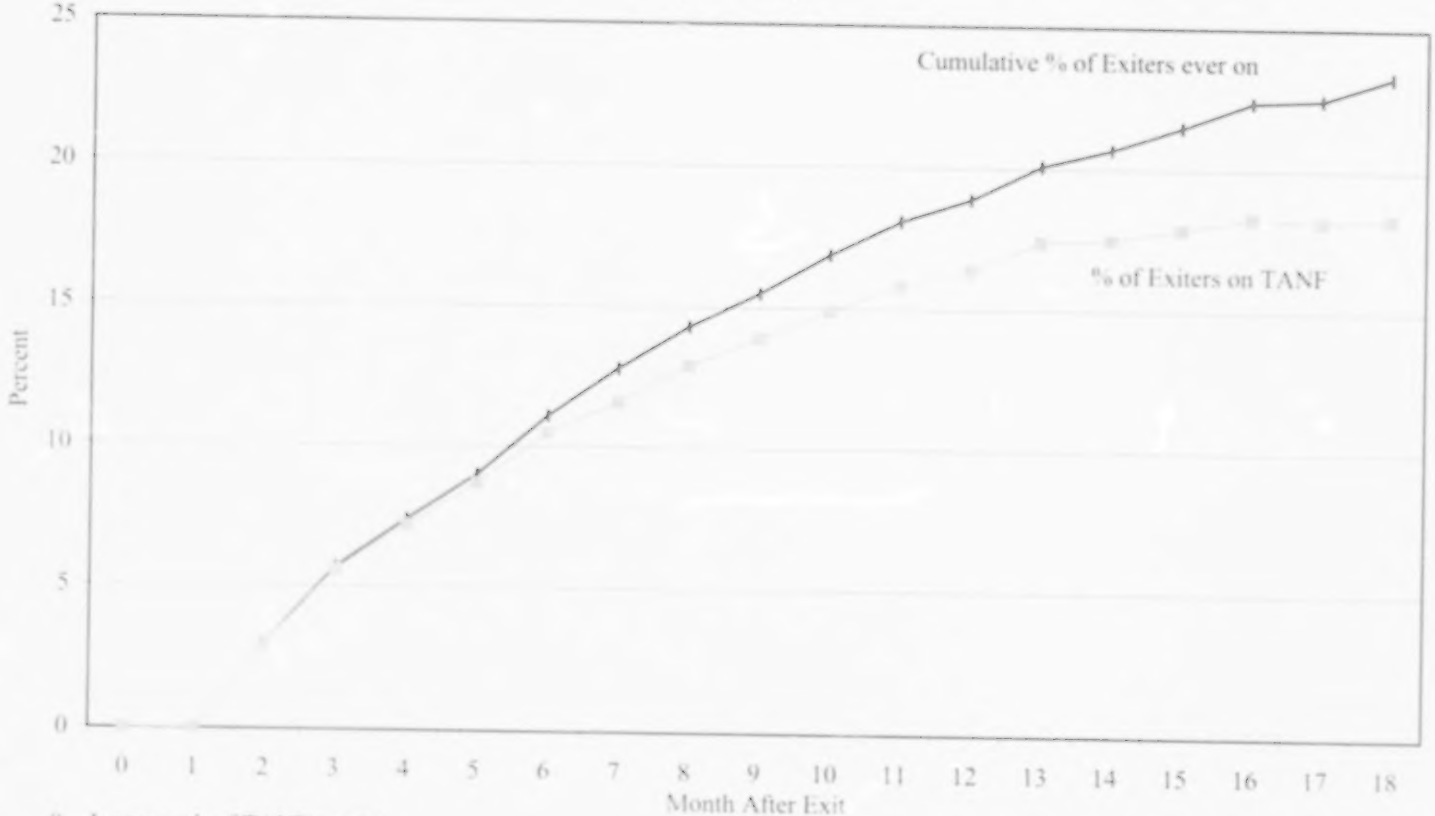
Appendix Table A2: Hard-to-Reach Population of TANF Leavers in the District of
Survey Findings for Leavers from October-December, 1998

	1-11 Calls (%)	12-43 Calls (%)
Percent of Sample	75.8	24.2
Sample Size	210	67
Currently Employed	61.9	55.2
Received TANF since exit	21.9	32.8
More than one job?	3.1	2.7
For those working:		
mean hours (main job)	35.7	32.8
mean wage (main job)	$8.50	$9.14
health benefits	24.5	43.2
pension plan	44.6	51.4
paid sick leave	49.2	51.4
paid vacation	61.5	64.9
regular schedule	80	75.7
Need uniforms/tools	24.6	32.4
Average commute time:		
less than 30 minutes	68.4	70.3
more than 1 hour	8.7	5.4
Lives with spouse/partner	10	20.9
Spouse/partner works	66.7	71.4
Got married/partnered	5.7	6.0
Got separated/divorced	7.1	6.0
Took in family/friends	14.3	23.9
Took in boarders	3.8	7.5
Moved in with fam/friends	19.1	31.3
Children moved out	8.6	4.5
Children returned	5.2	3.0
Received Food Stamps	57.1	49.3
Received SSI (adult)	6.7	6.0
Received SSI (child)	9.1	3.0
Received WIC	48.6	57.7
Received Fuel Assistance	8.1	10.5
Received Public Housing	32.9	25.4

Source: Urban Institute tabulations on data from Survey of DC TANF Leavers.

Appendix B: Supplemental Administrative Data on DC TANF Leavers

Chart B1: Percent of Exiters on TANF and Percent of Exiters Who Ever Returned to TANF by Month After Exit, 1997 Exiters

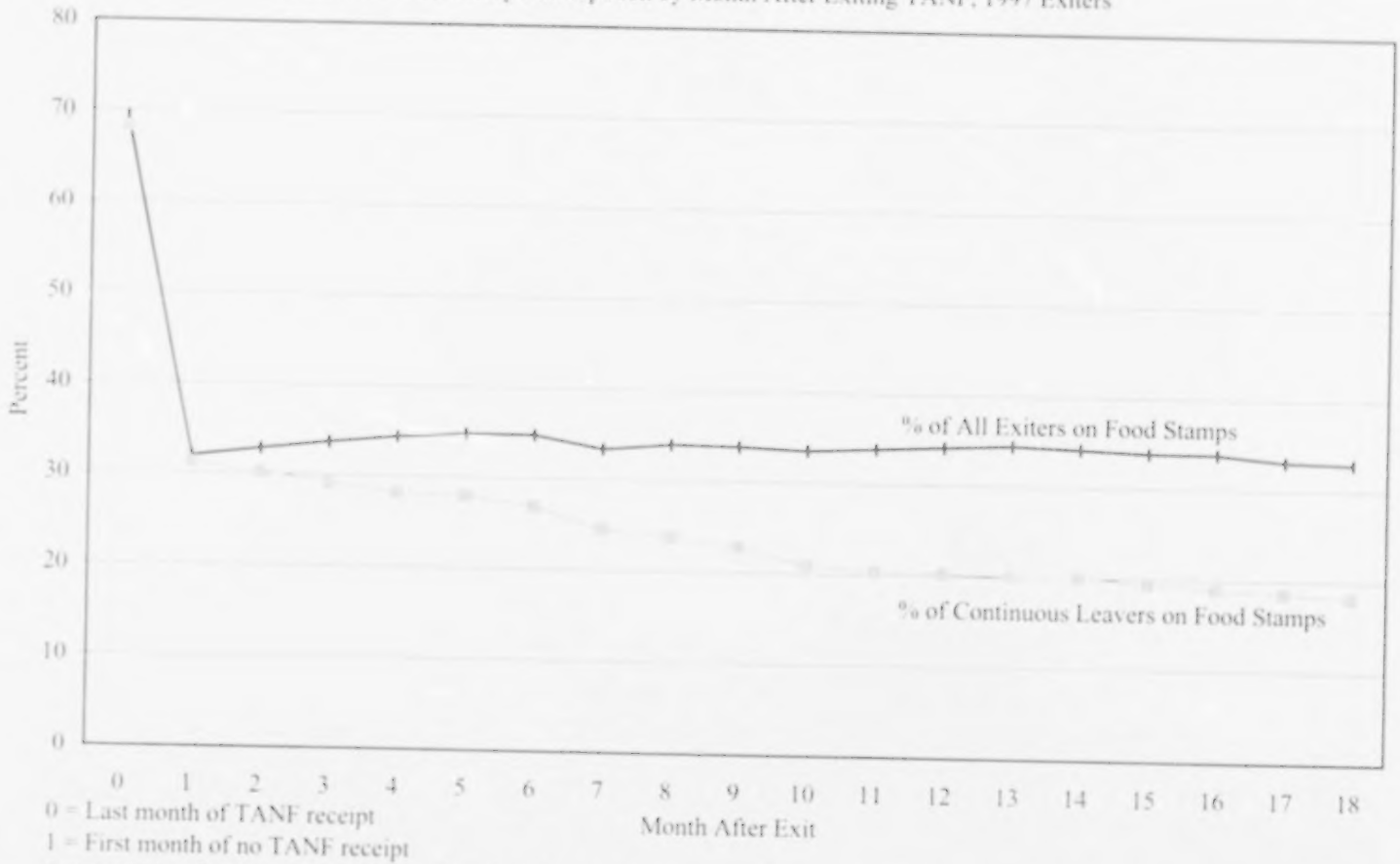


0 = Last month of TANF receipt

1 = First month of no TANF receipt

Source: Urban Institute tabulations on data from the DC Department of Human Services.

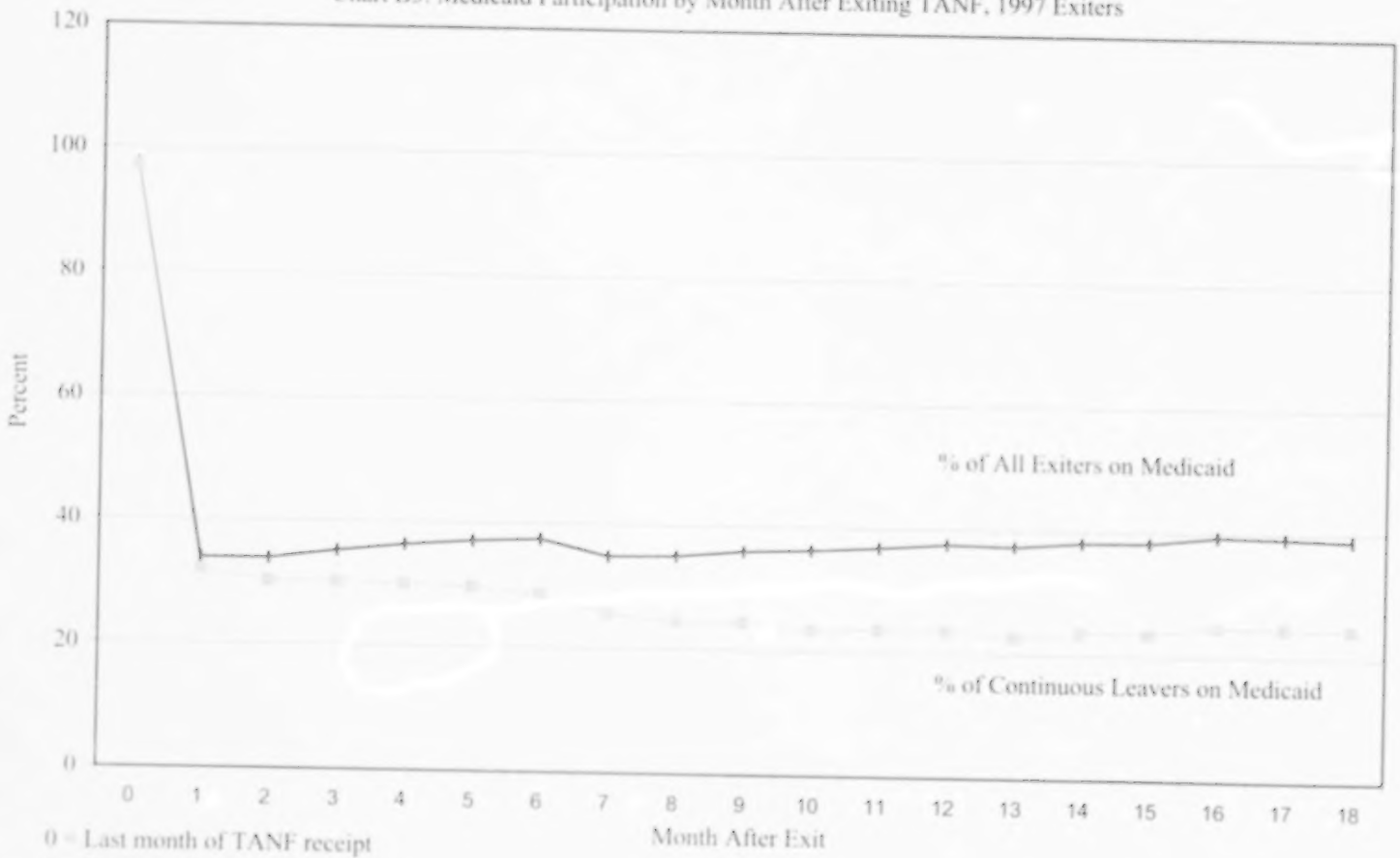
Chart B2: Food Stamp Participation by Month After Exiting TANF, 1997 Exiters



0 = Last month of TANF receipt
1 = First month of no TANF receipt

Source: Urban Institute tabulations on data from the DC Department of Human Services.

Chart B3: Medicaid Participation by Month After Exiting TANF, 1997 Exiters



0 = Last month of TANF receipt
1 = First month of no TANF receipt
Source: Urban Institute tabulations on data from the DC Department of Human Services.

Table B1: Program Participation by Month After Exiting TANF, 1998 Exiters

	Food Stamps		Medicaid		TANF	
Month After Exit	All exiters (%)	Continuous Leavers (%)	All Exiters (%)	Continuous Leavers (%)	Ever Returned to TANF (%)	On TANF in Month (%)
0	69.9	67.6	97.9	98.1	—	—
1	33.1	30.8	36.0	33.7	0.0	0.0
2	34.8	30.2	38.5	33.9	4.0	4.0
3	36.1	29.2	42.1	35.3	7.6	7.5
4	37.4	29.6	43.9	36.3	9.1	8.7
5	38.5	28.9	45.6	37.0	11.0	10.7
6	38.3	26.7	46.5	36.4	13.0	12.7
7	36.0	23.8	45.9	34.9	14.5	14.1
8	37.0	24.0	46.5	35.1	15.8	15.1
9	37.3	24.1	47.4	35.9	17.6	16.2
10	38.0	23.2	48.3	35.7	19.8	18.2
11	38.3	23.5	47.9	35.4	20.6	18.7
12	37.9	22.8	47.5	34.5	21.1	18.8
13	37.2	22.0	46.7	33.7	21.8	19.0
14	35.9	21.4	46.0	33.2	22.4	19.2
15	34.7	20.9	45.2	32.8	22.9	18.8
16	34.1	20.1	44.8	31.9	23.4	18.6

0=Final month of TANF receipt

Data depicted in Charts 2-4 of the paper

Source: Urban Institute tabulations on data from DC Department of Human Services.

Table B2: Program Participation by Month After Exiting TANF, 1997 Exiters

	Food Stamps		Medicaid		TANF	
Month After Exit	All exiters (%)	Continuous Leavers (%)	All Exiters (%)	Continuous Leavers (%)	Ever Returned to TANF (%)	On TANF in Month (%)
0	69.4	68.3	97.4	97.1	—	—
1	32.0	31.3	33.8	32.0	0.0	0.0
2	32.9	30.3	33.8	30.2	3.0	3.0
3	33.7	29.2	35.2	30.2	5.7	5.6
4	34.4	28.2	36.3	30.0	7.4	7.2
5	34.8	28.0	37.1	29.6	9.0	8.7
6	34.8	26.9	37.5	28.6	11.1	10.5
7	33.4	24.5	34.9	25.6	12.8	11.6
8	34.0	23.8	35.1	24.5	14.3	12.9
9	33.9	22.8	36.0	24.5	15.5	13.9
10	33.6	20.9	36.3	23.4	16.9	14.9
11	33.9	20.4	36.9	23.7	18.1	15.8
12	34.2	20.3	37.6	23.7	18.9	16.4
13	34.5	20.1	37.4	22.7	20.1	17.4
14	34.2	20.1	38.2	23.6	20.7	17.5
15	33.9	19.5	38.3	23.6	21.5	17.9
16	33.9	19.0	39.4	24.7	22.4	18.3
17	33.2	18.6	39.2	24.6	22.5	18.2
18	33.0	18.2	38.9	24.4	23.3	18.3

0=Final month of TANF receipt

Data depicted in Charts A1-A3 of the appendix.

Source: Urban Institute tabulations on data from DC Department of Human Services.